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FINANCIAL TIMES

No. 28,681

Monday June 2 1975

** 10p

15012
THE QUEEN'S AWARD
TO INDUSTRY

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NEWS SUMMARY

GENERAL

British Airways cancels flights

BUSINESS

Leyland Intl. to handle all exports

Varley warns on oil as EEC campaign enters final phase

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. ERIC VARLEY, Secretary for Energy and one of the seven Cabinet Ministers who voted against Britain's continued membership of the European Community, entered the referendum debate for the first time yesterday by warning that Britain might lose full control over North Sea oil by staying in the Community.

His intervention came as opinion polls showed the pro-Market side well ahead as the North Sea oil inside the EEC.

First if there was a decision against pressure from the Common Market countries "who look thirstily at Britain as the only Common Market country not threatened with an energy drought."

Another anti-Market Cabinet Minister who has not taken an active part in the campaign also declared himself publicly yesterday. Mr. William Ross, Scottish Secretary, said at Kilmarnock that renegotiations had not achieved any radical change.

"If this is so, our control over the destination of North Sea oil would be materially weakened," he said.

Prentice speech, and other Referendum news, Page 7

So far, the issue of North Sea oil has played very little part in the campaign. Pro-Market Ministers have always insisted that Britain will maintain full control over the exploitation of oil and gas within UK territorial waters.

The Energy Secretary's speech since it could be shipped tanker direct from the field. That would be a serious situation," Mr. Varley declared.

Second, he was concerned about Britain's ability inside the EEC to pursue its own oil and gas depletion policy in its own interests. This meant taking oil and gas from the North Sea at the speed which suited Britain best.

In Mr. Varley's opinion, it might make sense during the 1980s for Britain to consider holding back output in order to make supplies last longer. "But there could be irresistible pressure from the Community on us to allow full production so as to reduce Europe's dependence on imported oil," he warned.

Mr. Varley admitted there had been assurances from the Commission but he was not certain what these would count for in due course that the Treaty area included the Continental shelf, significant doubts would be cast over Britain's requirement that North Sea oil and gas should be landed in this country.

"It is this is so, our control over the destination of North Sea oil would be materially weakened," he said.

There has been no change in the Common Agricultural Policy and inside the Market we will be even further on the fringe of industrial activity than we are now," he added.

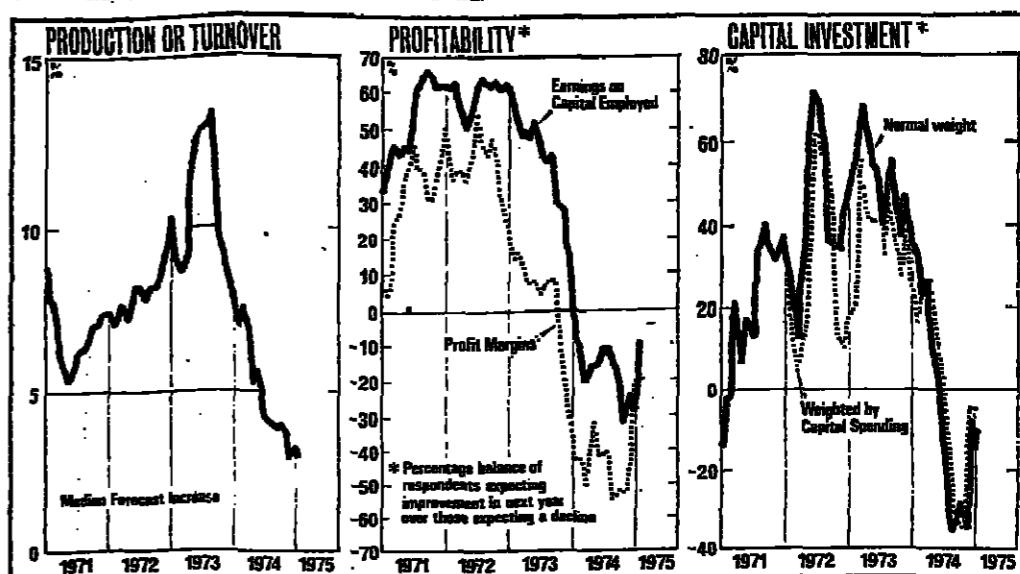
The Prime Minister, speaking at a Manchester rally, said with some alarm from the Community would mean gambling with the nation's food supplies. "That is a policy which no responsible government could recommend," he declared.

Mr. Wilson was satisfied that membership of the Community had not caused an increase in food prices "any more than it has caused two cold summers since we joined or a string of wet Bank Holidays," he said.

Instead, entry had coincided with a rise in unemployment, he said.

Continued on Back Page

FT Monthly Survey of Business Opinion



Investment fall seen lasting another year

WITH THE ECONOMIC recession—that is, more firms are reporting a decline in their margins and on total earnings—is still, on balance, downward. Shortages of orders are now the main factor determining output schedules and almost half the companies included in the latest four-monthly all-industry sample expect to employ a smaller labour force during the coming 12 months.

The larger companies are still relatively hopeful about step-in costs and output prices have risen up their export sales, and risen to new record levels, and there are indications of some there is more talk of the danger easing in the squeeze on inflation getting out of hand.

The median forecast increase remains at a very low ebb in the survey, which this month covers consumer durable companies, stores and electrical engineering.

Confidence about the economy is still, on balance, downward. More companies are however monthly business opinion survey hoping that the gap between

For the second month running the index of current row and that this will lead to deliveries shows a negative less pressure on profitability.

Survey details, Page 6
More unemployment and inflation forecast, Page 5

Those expecting earnings during current year to:	All industry				May 1975		
	Feb.-May %	Jan.-Apr. %	Dec.-Mar. %	Feb. %	Elect. Eng'g. %	Consumer Durables %	Stores %
Improve	31	23	31	25	61	32	51
Remain the same	24	22	11	14	34	4	26
Contract	41	52	56	57	2	56	23
No comment	4	3	2	4	3	8	—

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Estimates of future increases in output prices has now risen to new record levels, and there are indications of some there is more talk of the danger easing in the squeeze on inflation getting out of hand.

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More unemployment and inflation forecast, Page 5

EARNINGS ON CAPITAL

4 monthly moving total

These expecting earnings during current year to:

Feb.-May % Jan.-Apr. % Dec.-Mar. % Nov.-Feb. % Elect. Eng'g. % Durable Consumer Stores %

Improve 31 23 31 25 61 32 51

Remain the same 24 22 11 14 34 4 26

Contract 41 52 56 57 2 56 23

No comment 4 3 2 4 3 8 —

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Hayward urges import controls

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE IMPOSITION of import and other senior Ministers have controls—increasingly the policy repeated by Labour's Left wing called for by the Government for selecting items such as textiles and footwear. But Mr. Hayward's intervention will give renewed strength to the demands of the party's general secretary.

As part of a five-point plan outlined to the Northern Regional Party in Newcastle, Mr. Hayward stressed that "selective and temporary" import controls on manufactured goods was the only way for the Government to check the steady growth in unemployment.

The significance of Mr. Hayward's intervention is that he represents an influential strand of opinion inside the Labour Party, which wants to see the Government adopt more Left-wing economic policies. He

would not have made his comments without the backing of powerful forces inside Transport House and the National Executive Committee.

The other points in Mr. Hayward's "urgent industrial programme of action" were:

• The conclusion of early planning agreements with the 31 companies who controlled 40 per cent of the country's exports.

There should be a selective approach to large companies, rather than across-the-board

Continued on Back Page

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FEARLESS

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BRITISH AIRWAYS

IRISH AIRLINES

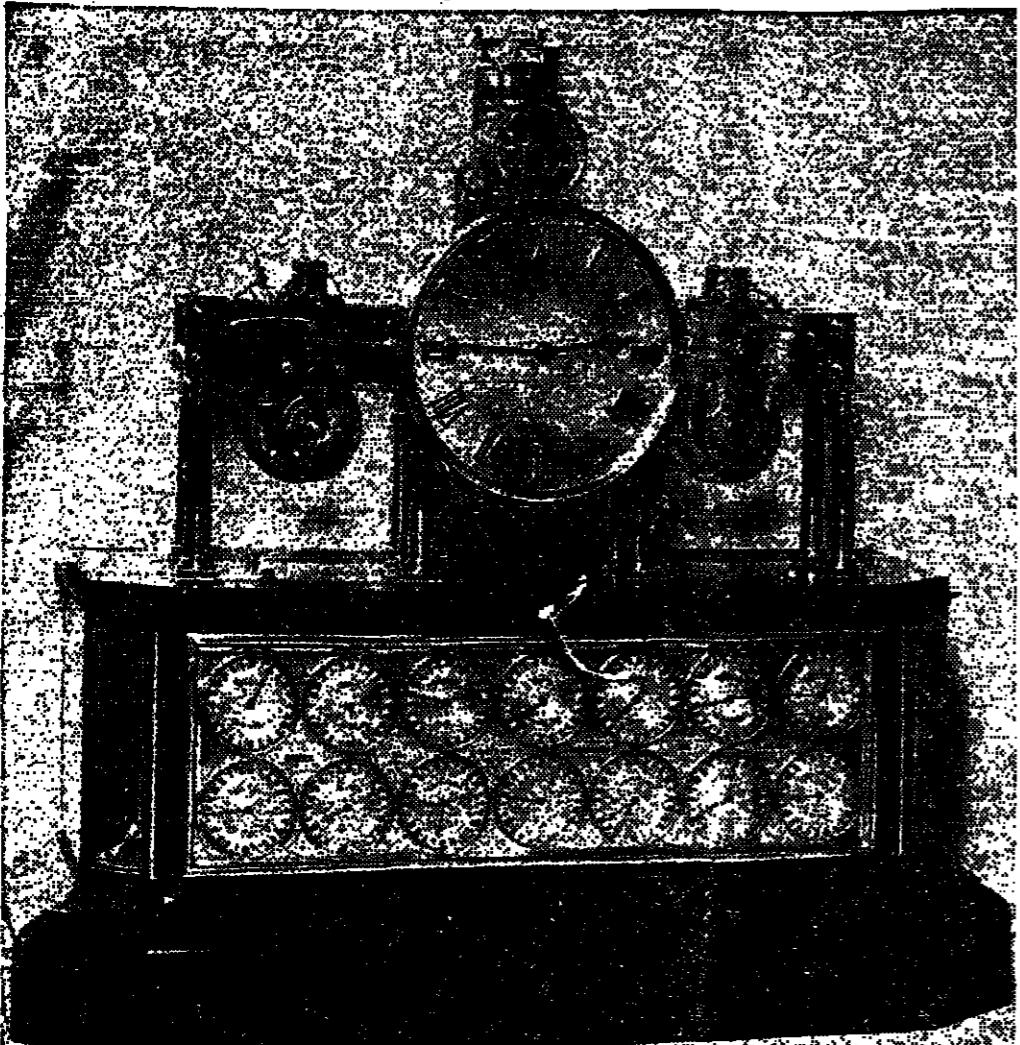
SCOTISH AIRLINES

SWISS AIRLINES

SWEDISH AIRLINES

THAILAND AIRLINES

THREE AIRLINES



This world time clock, approximately three feet high and four feet long, was made in the early 19th century in France. It is to be seen at the exhibition of fine antique and decorative clocks that will open at Algarion Asprey's in Bond Street next week.

Aldwych

Travesties by B. A. YOUNG

Tom Stoppard says that his play is "a work of fiction that makes use, and misuse, of history. It also makes use, and abuse, of literature. What it does not do is to point a moral or offer a commentary on the state of the world. It is pure comedy; in which the facts of history and the stuff of literature are assembled like the glass fragments in a kaleidoscope to produce new and unexpected pictures not intrinsic in themselves.

The facts of history on which it draws are that James Joyce, Vladimir Ilyich Ulyanov dit Lenin and Tristan Tzara were all in Zurich in, or about, 1917; that Joyce organised an amateur theatrical company in which the part of Algernon in *The Importance of Being Ernest* was played by Henry Carr, an official of the British Consulate; that Tzara is credited with having invented the word "Dada"; in a Zurich bar, when Lenin left after the Russian revolution had begun to make his journey to the Finland station. The literary references are more widely scattered, but are attached mostly to *The Importance*, though they range widely, often with delightful inconsequence through a wide spectrum of English drama.

The times are seen as remembered by Henry Carr in his memoirs. John Wood's performance as Carr is a dual miracle. He is first discovered sitting at his upright piano, playing with some accuracy but little talent, a cigarette constantly dropping from his mouth held ready for inhaling in right hand never more than foot from his mouth. In an

old cracked voice he tells us about his forthcoming recollections, trying one phrase after another, as he conjures up those of Joyce, of literature. Then he does not do it to point a moral or offer a commentary on the state of the world. It is pure comedy; in which the facts of history and the stuff of literature are assembled like the glass fragments in a kaleidoscope to produce new and unexpected pictures not intrinsic in themselves.

He crosses from one personality to the other several times during the evening, though this is the only time he does it in public. Having shaken off his years, he moves upstairs into his sitting room where Bennett, his manservant (or sometimes Aly's manservant) is attending on him. Carr, the happy, boyish Dadaist, is given a sparkling performance by Robert Powell, and John Quentin puts a good visual resemblance to Joyce on Carr's recollection of the writer as a quarrelsome Irishman. (Their relationship was in fact, scattered with litigation in the courts over trivial disputes.) Harry Towb cannot contrive to make Lenin interesting when the author has not, but he does what there is to be done.

The girls—Carr's sister, Gwen,

Carruthers, a handy librarian—

are prettily done by Meg Wyne Owen and Beth Morris, and Frances Cuka gives a solid

Russian personality to Lenin's faithful Krupskaya.

And always in the background is the changeable personality of the manservant Bennett, sometimes servile, sometimes autocratic, sometimes even on *soit* with official correspondence. It is only the fantasy of Carr's restless mind.

So when Tzara and Joyce arrive, they are not half the manservant Bennett, sometimes servile, sometimes autocratic, sometimes even on *soit* with official correspondence. It is only the fantasy of Carr's restless mind.

Their conversation is carried on in the form of limericks. Later comes no surprise, in a final

coda in which Carr discusses the restrained, and there is some old times with his ageing wife

approach toward genuine traffic (Cecil), that Bennett was

actually the name of the Consul

Joyce put him into *Ulysses* as

the sergeant-major. Carr only

became one of the foul-mouthed

private soldiers.

The Travesties is a comedy for writing is amazing; there is a solid

sophisticates. The more all

literary allusion in every other slot you spot, the more fun it

held, ready for inhaling, in

right hand never more than

foot from his mouth. In an

into the story, there is little very funny play indeed.

Festival Hall

Harold in Italy

by RONALD CRICHTON

The Byron year should have been extended to cover Thursday's splendid performance of the strange symphony *Harold in Italy*, which Berlioz based on the poet's *Childe Harold*. Loosely based, it is not, but after such a fiery reading, not the one-line poem that would do anything but kindle with pride at his association. The artists who did such honour to Berlioz, Byron (and Paganini, who commissioned the work and paid for it handsomely) were the London Symphony Orchestra, Colin Davis, and a glorious Japanese violinist called Nobuko Imai.

Only Berlioz among great composers who were normally good-mannered, civilised men, would have written, instead of a concerto for the world's most famous violinist (who wanted to show off his Stradivarius viola), a programme symphony with an obbligato part that may be hard to bring off but is not shown even by the viola's reticent standards. Often the score seems full of imaginative strokes that promise more than they achieve. On Thursday every bar crackled with life, the melodies sang (Mr. Davis unerringly finds the nerve centre of a Berlioz phrase), the rhythms had enough tension to propel a wandering poet to the moon.

Mrs Imai's tone is large, bland and beautiful (she was a Juilliard pupil of Walter Trampler). There is not much edge, but the tone often came through when one feared it wouldn't, while the quiet moments with the viola mulling the tune that can seem one of the composer's lesser inspirations were reproachfully haunting. The orchestral sound seemed to be matched from the elements to be present, the double basses did their long pizzicato haul in

Fairfield Hall, Croydon

Rudolf Kempe

by RONALD CRICHTON

After 12 years as principle conductor of the Royal Philharmonic Orchestra, Kempe is leaving to go to the BBC. His last night in the Festival Hall, due to be repeated, was a typical mixture of the late-romantic music he does so well, with a spice of superior light music: the Suite from Prokofiev's *Love of Three Oranges*, Elgar's Cello Concerto, Strauss' Also sprach Zarathustra. London music-lovers who like orchestral sound-immediate and natural, should go now and then to Croydon, where South Bank programmes can be heard in an acoustically excellent, moderate-sized hall at moderate prices.

Moderation, as it happens, is one of the hallmarks of Kempe's conducting. Even in the vast apparatus of *Zarathustra*, he refuses to put unnecessary fat on the tone, avoids saturation or inflation, without carrying the opposite process to the extent of devitalising the music. This score, however, is a little too much for the Fairfield Hall. The general effect was magnificent,

yet some details went for nothing—the shivering flutes in the "Grabilis," for example. The experience was finally rather oppressive. Straussians well know those evenings (anti-Straussians presumably know nothing else) when the spell does not work, the tunes seem shoddy, sinister cracks appear in the musical stucco, and a framework of rusty iron shows through.

And then, one promptly remembers long stretches that in fact came off extremely well, with a quiet distinction of phrasing, especially in the woodwind, with a sense of nuance, of ending a musical sentence as courageously as it was begun with hyper-sensitive shading in the strings. The shrouded, unearthly tone of the opening bars of the "Learning" fugue, not usually the most appealing moment in the score, was outstanding. So was the humour of the lead-in to the Dance section—that the humour did not survive intact through this protracted section of the suite. The good numbers were done in admirable performers' fault. Equally style.

Open Space

Measure for Measure

by B. A. YOUNG

MEASURE FOR MEASURE is the latest of Shakespeare's plays to be cut to pieces by Charles Marowitz and reassembled to make it subtly different. My copy of his *Hamlet* College, the first of them, seems to be missing, but the objective is expressed in the blurb on his *A Midsummer Night's Dream*—he "restores" the play so that we are faced afresh with its core and its layers of meaning."

To face us with the core of *Measure for Measure*, Mr. Marowitz has had to make two fundamental changes of character. Isabella, instead of getting involved in the complex decrees with Mariana, agrees after some show of reluctance to go to bed with Angelo if this is to be the price of her brother's life. (Her first reaction was to blackmail him for having made the suggestion.) Angelo, however, does not find her submission a sufficient warrant for countermanding his order for Claudio's death, and Isabella has hardly rearranged her dress before she finds her brother's freshly severed head waiting for her under a black cloth.

When the Duke returns from his sabbatical, Isabella makes her *clémence de hore*, and his prison speech to Claudio, the Duke is easily persuaded by Angelo that she is mad. The scene changes: the Duke, Angelo and Escalus sit at dinner. There is a silence. Then they all explode with laughter at the whole affair.

The core we have arrived at is the utter indifference of the Court circles to the lives of the people. It is certainly displayed

with aggressive clarity in the Marowitz version, which makes an attractive short play of anecdotal quality. I doubt, though, if it is more accessible in Marowitz than in Shakespeare; what is more, Mr. Marowitz has cheated in arriving at it, for he has had to make the Duke a villain. I would agree with him if he simply said the Duke was an unpleasant person. He makes his phoney

journey only because he hasn't

the guts to enforce his own laws;

and his prison speech to Claudio,

"Be absolute for death," when he knows that Claudio is to be saved by him, is needless cruelty.

But he was, in his crooked way,

on the side of right.

Still, the stimulation of this

kind of argument is one of the

pleasures of the Shakespeare-

Marowitz pieces. We can also

consider Isabella's sexual plasti-

city contrasted with the familiar

iron virginity in Shakespeare;

the transformation of Escalus in

to a baddie and Claudio into a

goodie. We must, also, alas,

mention the loss of the comedy

and the grim scenes with the

executioner, which are not even

suggested.

The production, under Mr.

Marowitz's direction, is simple

and clear, with admirable speak-

ing from the company. Angelo

is played by Nikolas Simmonds,

Clara Madden is Isabella, Julian

Gwaspari is Claudio. David Schofield the reformed Claudio.

Robin Don's design includes

church pews for the audience,

and there are luxurious costumes

by Susan Thompson.

White mice scurry about the order to observe whose robe is ears trapped in a wire mesh, the clinging. Speedy comes all a miniature network of tunnels over the place and the girls tricked out with tiny coloured finally try to obliterate each lights. The plague is coming other as the wire mesh and the mice descend in concentrated form to cover their writhing limbs.

Piffle, of course, but pleasant piffle. David Gale as Speedy suggests that if he ever gets as excited about thinking as he does about fiddling with himself then he might do some sort of justice to his obvious, clownish talent.

I have no complaints whatsoever about the ladies (Barbie Coles and Tessa Harts) and harbour

no great grudge at having spent

an hour in their company. The few words we hear are terrible,

the philosophical drift of the piece too corny and available in paperback to bear repeating. A lady old enough to be at least my aunt laughed herself silly in front of me. I sincerely hope she was not related to Miss Coles.

The boy bursts open and out

steps an embryonic human. He

discovered his penis. He sits on

some laps in the audience and enjoys himself. He is called

Speedy Cummings. The Japanese

mouse-trainer instructs him in

the gentle art of seduction. A

moderately funny sketch on the

traditional, approved processes

of bedding the opposite develops

with a trundling charm. Most

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HOME NEWS

More unemployment and inflation forecast

FINANCIAL TIMES REPORTER

THE PROSPECT of rising unemployment, accelerating inflation, and falling production is forecast by London stockbrokers Phillips and Drew in its mid-year survey of the economy, published today.

The rate of inflation is now "almost certain" to accelerate from the present level of 24-25 per cent. to a minimum of 27 per cent. by the time the next wage round begins in September.

Against this background, says the brokerage house, it is wrong to believe that wage settlements can be reduced substantially below 30 per cent. by a voluntary tightening of the social contract.

"Unless the Government is prepared to allow unemployment to rise to much more than 1m, the voluntary approach looks set to fail a second time in the referendum and a vote in favour of Europe," Mr. Anthony Wedgwood Benn, Industry Secretary, will remain in the Government rather than go to the back benches to muster the support of the Labour rank-and-file.

On that assumption, they

expect the Government to introduce a substantial package when the pound begins to weaken again.

The minimum action required from the Government would be a cut in public spending of £1,500m-£1,800m this year

(equivalent to £2,400m in a full year); an increase in the standard rate of VAT from 8-10 per cent; selective import controls; and a more vigorous, though still voluntary, wage policy as a last resort in October or November.

These measures can be ex-

pected to raise the level of unemployment to more than 1m by the end of the year.

The economic upturn foreseen in world trade in 1976 will not, in the view of Phillips and Drew, come soon enough to stop the figure rising still further and a peak unemployment figure of 1.1m might be reached by mid-1976.

If this policy is introduced, the stockbrokers foresee price inflation slackening to around 16 per cent. in 1976 compared with an expected 24 per cent. for 1975.

On a slightly brighter note, the survey predicts a significant improvement in the terms of trade this year despite the downward movement in sterling.

The current account deficit for 1975 is forecast at £1,150m. Some further modest improvement to a deficit of £1,500m-£2,000m is tentatively forecast for 1976.

Shareholders in the Brighton

Marina Company, which is carrying out the development, are the National Westminster Bank, EMI, Royal Insurance, Westmoreland Properties, the Electricity Supply Superannuation Fund and a variety of smaller interests.

In view of the generally unfavourable climate for property development, the DoE appears to have tried to steer a middle course between allowing the original plan to go ahead (which would have been unpopular locally and with the Civic Trust) and making such drastic changes that the developers would have thrown in their hand.

This has been devised in the wake of a three-month public inquiry set up by his predecessor, Mr. Geoffrey Rippon.

The £100m. plan to which the developers have been working envisaged mooring for 2,240 yachts, 1,450 luxury flats, a 500-bedroom hotel, conference centre and entertainment facilities at the Black Rock cliffs. Now the project—as approved by Mr. Crosland—is expected to contain only 850 flats and more modest commercial premises.

The decision means that Brighton District Council will not be left with the breakwaters completed.

IN BRIEF

Tankers cut

Two big oil tankers ordered from the Scott Lithgow group on the Clyde by Greek shipowners in December, 1973, have been cancelled because of the depressed state of the oil market.

The ships, valued at £30m., are each of 134,000 tons dwt and were ordered by the Angelicus ship-building group.

Beer up 1p

An increase of 1p a pint on most draught and keg beers comes into force to-day at Ansell's public houses in the Midlands and Wales. A similar rise was imposed in March. The latest increase has been approved by the Prices Commission.

Port traffic

Inward traffic through the Humber ports for the four weeks ended April 27, totalled 1.5m. tonnes, compared with 1.7m. tonnes for the corresponding four weeks of 1974. For the aggregate four weeks of this year, inward traffic totalled 6.5m. tonnes, compared

with 7.4m. tonnes for the same period a year ago.

Law records

A new computer system to record and maintain the Law Society's records, providing a service to the society's members and the public.

It is scheduled to start production running in July. The system has been developed under contract by Honeywell's Network Information Services division and will be run on the Mark III Network Service marketed by the company in the U.K.

Safety move

Staff from Nypro whose Elthorpe plant was the scene last year of one of Britain's worst-ever peacetime explosions, are to attend a safety course run by the U.K. Atomic Energy Authority.

220 1-11s

Total sales of the British Aircraft Corporation 1-11 airliner now stand at 220, worth about £570m. BAC said.

INTERIM STATEMENT

K Shoes Ltd

The unaudited results of the K Shoes Group for the half year ended 31st March, 1975 are set out below against those for the comparable period last year:

	1975	1974
Half year ended 31st March	£'000's	£'000's
Group profit after all charges but before taxation	1,327	1,043
Taxation—corporation tax at 52% (1974—53%)	719	553
Group profit after taxation	608	490
Amount absorbed by dividends preference—half year to 31st March	5,512	5,512
Ordinary—interim	115,573	90,057
Total	121,085	95,569

The Board has decided on the payment of an interim dividend on the ordinary shares at the rate of 0.75p per share (1974—0.60p) which with the imputation tax credit of 35% (1974—33%) is equivalent to a gross dividend of 4.75p (1974—3.55%). The interim dividend is increased by the maximum permitted by the legislation for the full year. Last year the increase was applied to the final dividend. The dividend will be paid on 8th September, 1975 to ordinary shareholders on the register at close of business on Monday, 23rd June, 1975.

The Chairman, Mr J D Younie, comments—

"With retailers reducing stocks to conserve working capital, and the public having to pay so much more for a pair of shoes than a year ago, the shoe trade in general has not been brisk."

In spite of this, we have maintained volume. Our factories have enjoyed the freedom from fuel crises and profits are now running ahead of last year."

The second half-year started with a cold winter. April which discouraged shoppers. Since then, business has become a little livelier and I am glad to report that all our factories are busy."

At this rate our profits for the full year should finish ahead of 1974."

Suez to reopen, but operators hesitate

BY JAMES MCDONALD, SHIPPING CORRESPONDENT

THE SUEZ CANAL is scheduled to be re-opened by Egypt on Thursday. The Canal can shorten the sailing time between Europe and the Far East by five or six days.

Commercial ship operators are still hesitant to use the Canal. The Suez Canal Authority last week announced its tariffs—nearly 100 per cent. higher than at the closure of the Canal during the 1967 Arab-Israeli war, but still acceptable to ship owners after eight years of inflation.

The world insurance industry has announced its war and strike, riot and civil commotion risk rates on cargo passing through the Canal when it is re-opened. This rate is high, but not excessive.

The shipping industry is still awaiting the decisive factor—the insurance industry's premiums on the hulls of ships moving through the Canal. Lloyd's of London had its fingers badly burned through the closure, paying out over £15m. for cargoes and hulls locked in the Canal for eight years.

London underwriters have not yet announced the premiums they will charge on ships going through the Canal and until these rates are announced, or agreed between the insurers and shipowners, there will be no rush to be first through Suez. The accuse of "squandering public money."

MEPC in merger talks

By John Trafford

MEPC, one of the country's biggest property development companies, has been approached by a number of smaller property concerns in the past few weeks to discuss the possibility of a merger.

This was made clear yesterday by Mr. Peter Anker, MEPC's managing director, in the wake of Press reports that merger talks had been going on with the unquoted company Compass Securities.

Mr. Anker said his company has examined the portfolios of at least six companies including Haslemere Estates and Compass Securities. But in each case the approach had come from the other party.

In his view, many of the smaller developers were being forced either to sell over to an institution or contemplate a merger with a large quoted property company.

Rates lawsuits 'may fail'

Test case legal battles brought against councils by rate-payers to force them to join an exercise will probably fail, the chairman of the National Union of Rate-payers' Associations said in London.

Major Henry Haydon said his organisation, claiming to speak for 500,000 rate-payers, had turned down an invitation to join the National Association of Rate-payers' Action Groups in Court cases with local authorities in London.

MEPC is understood to be talking to Japanese, Hong Kong and Singapore companies to see if a buyer can be found for its loss-making Australian property interests.

There is, however, no question of a forced sale, and MEPC says it will soldier on in Australia if no acceptable offer is made.

Industry to have energy thrift unit

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH manufacturers are to mally had no clear idea what was invited to take part in "energy happened to its energy at shop audits" of their operations by floor level, and there was no scientists, at the expense of the standard way of making such an attempt to discover in greater detail where energy is consumed at shop-floor level.

A new "energy thrift unit" under Dr. J. A. Catterall is being set up to direct operations by the Department of Industry at its National Physical Laboratory. The initial aim is to secure a saving of 10 to 15 per cent of energy consumed by relatively simple changes in industrial practice.

A working party set up by the energy audit unit has recommended use of a West German method of measuring the flow of energy through a factory, which takes account of its disappearance at every stage through to the energy content of rejects.

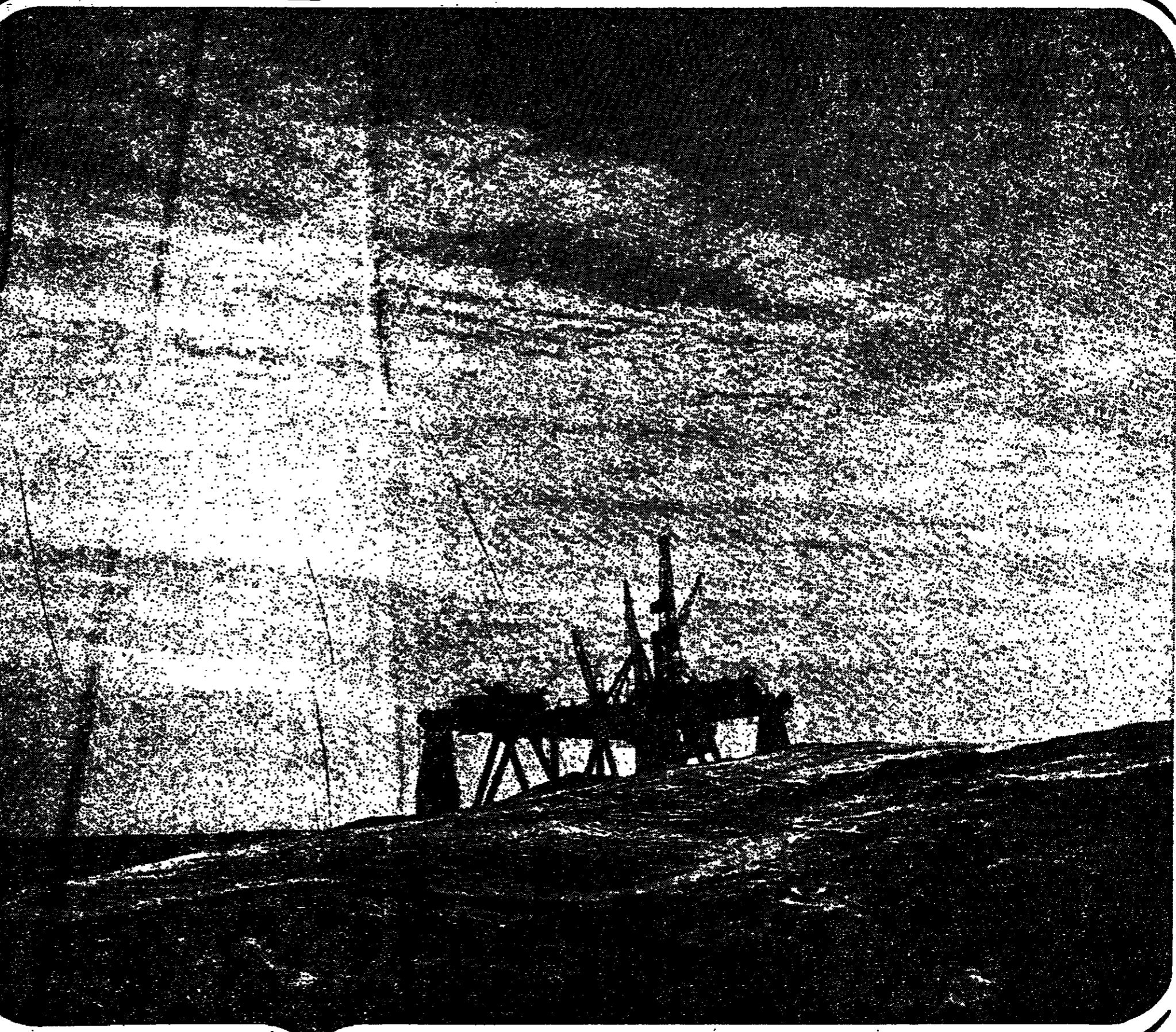
There is already evidence that the best rewarding point of attack may be to persuade industry to reduce its scrap rate. There is evidence also that companies carrying out essentially the same activities sometimes differ by a large factor as much as two or more—in their energy requirements.

A second industrial exercise to be launched this month by the energy thrift unit, will also use the research associations as prime contractors.

which takes account of its disappearance at every stage through to the energy content of rejects.

More detailed study of this proposal by the DoE and the Department of Energy revealed serious pitfalls. Industry nor

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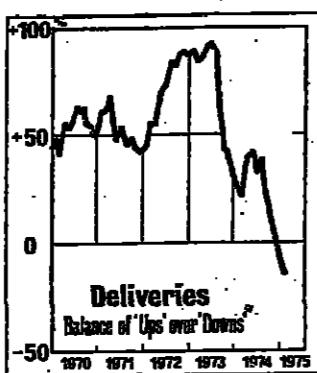
FT Monthly Survey of Business Opinion

GENERAL OUTLOOK

Recession deepens all round

THE RECESSION is now being felt by the capital goods makers whose fortunes always tend to lag behind in the economic cycle. Whereas there are signs of somewhat less pessimism in the two consumer sectors covered by the latest survey—consumer durables and cars, and stores and consumer service organisations—the investment goods end of the electrical engineering industry (the third of this month's three sectors) has experienced a widespread fall in new orders and this is now leading to a noticeable decline in the pace of activity.

The stores group had had a



good sales period since January, largely, it was thought, because

of the wage increases won by industrial workers and the desire to buy in anticipation of price or tax increases. But the general reaction was still mainly one of caution. In the durables/cars sector, car maintenance, servicing and sales of replacement parts were said to be doing well. Spending on leisure items was also said to be holding up well in the consumer electronics sector, although heating equipment had been hit by the rise in electricity tariffs.

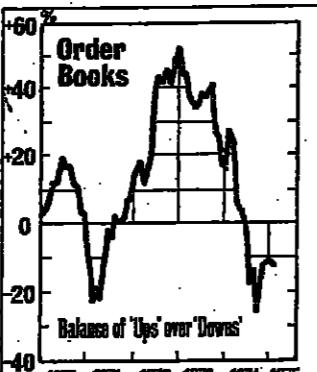
Export prospects on the other hand, were still considered to be good, especially among bigger companies.

ORDERS AND OUTPUT

A worrying outlook

THE DOWNWARD trend in new electrical engineering orders is now quite marked and, though a majority of the companies in this sector report increased deliveries, the situation has clearly deteriorated since the sector was last surveyed in January and, as a result, most firms now see little chance of their output being any higher during the coming 12 months.

In the other two sectors—durables and cars, and stores—the trend of both orders and deliveries has improved slightly, as has already been mentioned, about future developments. Forecasts are being qualified rent deliveries.



by fears that inflation may get out of hand, by reservations about what may happen during the latter part of the next 12 months, and by the feeling that, because the recession has been slow to develop, the subsequent recovery may also take some time to emerge and work through.

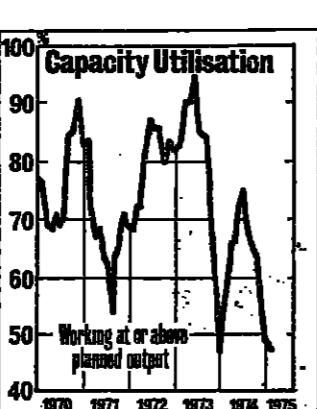
In the meantime the negative balance in our index of delivery trends, which emerged for the first time in the April survey, has increased. Almost half of all the companies interviewed during the past four months

have reported a decline in cur-

CAPACITY AND STOCKS

Scaling down

THE CONSTRAINT imposed by falling orders, as compared with supply factors like plant capacity, bought-in supplies, and staff, is now very marked, whereas not much more than a year ago it was the other way around with supply constraints far outweighing demand factors. Complaints about the difficulty of recruiting specialist and other skilled manpower are still made even now, but they are no longer general and the material and component shortages of a year ago are also now a distant memory for most companies.



A steady rundown in industrial stocks is also indicated as is only to be expected as the recession deepens. Almost half the companies in the all-industry sample say their stock levels are too high and almost a third expect to reduce the volume of their bought-in purchases during the next four months. It is also noticeable that the balance of replies on expected stock levels over the next 12 months is also now downward in all three categories—raw materials and components, work-in-progress, and finished goods.

CAPACITY WORKING

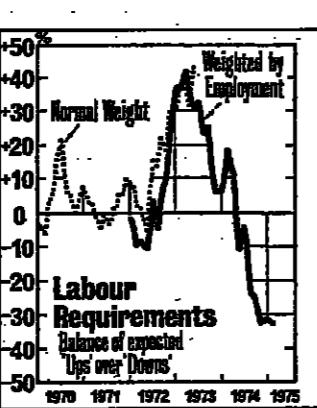
	All industry						May 1975
	4 monthly moving total						
Feb.-May	Jan.-Apr.	Dec.-Mar.	Nov.-Feb.	Elect.	Consumer	Durables	Stores
Those working at:	%	%	%	%	%	%	%
Above target capacity	12	7	10	9	—	—	62
Planned output	35	42	53	57	4	68	26
Below target capacity	53	51	37	34	96	32	12
No answer	—	—	—	—	—	—	—

INVESTMENT AND LABOUR

More cut-backs

JUDGING FROM the latest manpower forecasts, unemployment is likely to go on rising for some time yet. Although almost half the latest all-industry sample expect their labour force to remain largely unchanged over the next 12 months, the proportion who foresee a reduction is still almost as large. The consumer durables sector was not quite as pessimistic as in January, but this was offset by a worsening trend in the other two sectors.

The outlook for investment is equally bleak. To some extent the prospect is worse than may have been apparent as our sur-



vey has hitherto been concerned with spending in current price rather than real terms. An attempt is now being made to separate out the two and, as the latest three-sector survey shows, the difference can be considerable.

Whereas almost half the all-industry sample expect to spend less on capital investment in the coming year, only a quarter say their current liquidity levels are too low and only a quarter expect to make a greater use of outside finance—which suggests that finance is not the main current constraint on investment spending.

COSTS AND PROFIT MARGINS

The squeeze may ease

THE RISING TREND of wage cost expectations has tended to slow down in the last couple of months, with the median forecast increase now hovering around the 21 per cent mark. Because of the easing in raw material costs, the upward trend in total unit costs is also tending to slow down. But our respondents are less sanguine about prices. The median fore-

cast increase for output prices is now nearing 17 per cent, which is fractionally less than the latest median forecast increase for total unit costs.

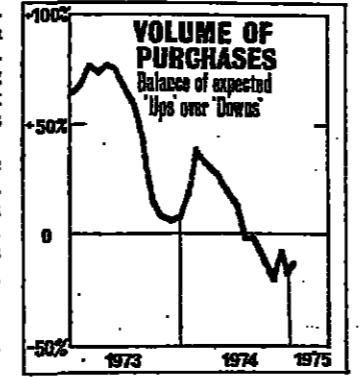
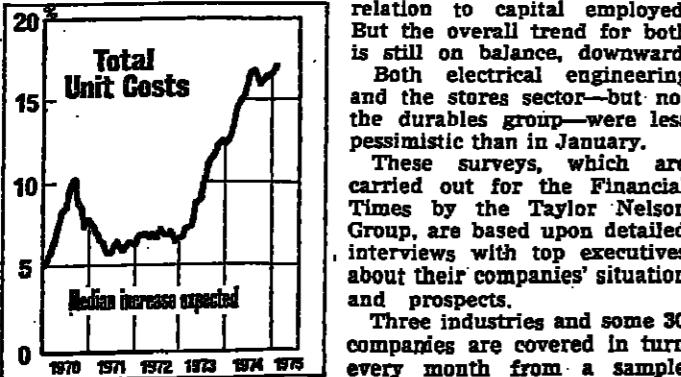
The narrowing of the gap between the two may help to ease the pressure on profitability.

Rather more companies are now hoping to see their profit margins stabilise rather than be squeezed further and this is also true—though to a much lesser extent—as yet—of earnings in relation to capital employed.

But the overall trend for both is still on balance, downward. Both electrical engineering and the stores sector—but not the durables group—were less pessimistic than in January.

These surveys, which are carried out for the Financial Times by the Taylor Nelson Group, are based upon detailed interviews with top executives about their companies' situation and prospects.

Three industries and some 30 companies are covered in turn every month from a sample



COSTS

Wage costs over the next 12 months will rise by:

0-4%	—	—	—	—	—	—
5-9%	—	—	—	—	—	—
10-14%	6	8	8	9	1	4
15-19%	21	15	19	33	64	20
20%	60	58	56	43	33	74
Same	—	—	—	—	—	—
Decrease	—	—	—	—	—	—
No answer	13	19	17	15	—	8

Total unit costs over the next 12 months will rise by:

0-4%	—	2	2	2	—	—
5-9%	—	1	1	1	1	—
10-14%	31	30	29	34	6	59
15-19%	29	29	28	23	32	15
20%	33	27	24	27	61	36
Same	—	—	—	—	—	—
Decrease	1	—	—	—	—	28
No answer	6	11	16	13	—	4

Total unit costs over the next 12 months will rise by:

0-4%	—	2	2	2	—	—
5-9%	—	1	1	1	1	—
10-14%	31	30	29	34	6	59
15-19%	29	29	28	23	32	15
20%	33	27	24	27	61	36
Same	—	—	—	—	—	—
Decrease	1	—	—	—	—	28
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15-						

Prentice says those offending words

BY ARTHUR SANDLES IN LEEDS

MR REG PRENTICE, Education Secretary, stuck to his co-operation if not coalition gun yesterday when he made the speech in Leeds which has stirred up such a political hornet's nest in advance.

No, he said, he was not suggesting a coalition, but in fact "national unity"—another phrase which is unlikely to go down well with the Labour Left.

Mr Prentice, sharing a platform with Mr Edward Heath and Liberal MP Mr Cyril Smith, among others, then actually said the offending words which have been anticipated over the past two days.

"The Common Market campaign has tilted the majority of realistic and moderate politicians of all three political parties," he said, and continued the contentious passage about the need not to lose this spirit of unity after June 5.

All this was not said without interruption. The hecklers were out in force, but Mr Prentice is an old stager at that game.

Jenkins warns of danger to peace

By Justin Long

WARNINGS of disarray in Europe and dangers to peace itself if Britain pulls out of the Market were injected into the referendum arguments yesterday by leaders of the Britain in Europe campaign.

Mr Roy Jenkins, Home Secretary, called for more attention to fundamental issues and less "squabbling in the foothills" at the pro-Market's Press conference in London.

He urged the "No-men" to realise that Nato was in a state of some crisis. And the Community's principal leaders believed our withdrawal from the EEC would gravely exacerbate that crisis.

The process of fragmentation which our withdrawal would begin could well, in present circumstances, be fatal to the security we have enjoyed for the past generation," he told a meeting at which he was flanked on the platform by Mr Reginald Maudling, the Tory former Chancellor, Baroness Galtres, and Mr Tom Jackson, general secretary of the Post Office engineering workers' union.

Mr Maudling stressed the need to maintain the authority of Parliament by reinforcing with a "Yes" vote on Thursday the decision already made by a large majority in Parliament in favour of Britain remaining in the Market.

Cynical

Mr Jackson, acknowledging division in his union over the Market issue, said he had been prompted to take part in order to reject the "calculating and cynical" contention of anti-Marketeers that our continued membership would have led to unemployment in Britain.

David Lasselle writes: Membership of the EEC would almost certainly lead to higher VAT though not necessarily to an end of zero-rating. Dr John Gilbert, Financial Secretary to the Treasury, told an anti-Market Press conference yesterday.

Although it could veto VAT harmonisation proposals, Britain could not do this indefinitely without losing faith. In the end it would have to accept changes which, judging by prevailing VAT practice in the EEC, would mean higher and more complicated rates, a lowering of the registration level, and an end to zero-rating on many, though not all, large areas of consumer spending.

Other EEC members had positive rates on food, medicines, domestic fuels, fares and rents, he said.

Britain could offset higher VAT by cutting income-tax. But this would be unfair, Dr Gilbert said, as would be the offsetting of VAT on essential goods by increased social security payments.

OUR BONN CORRESPONDENT LOOKS AT THE CAMPAIGN

A case of Them and Us

BY NICHOLAS COLCHESTER

FOR AN observer straight from Germany the most depressing thing to discover about the referendum campaign is its inexorable development into a war between the classes. Europe is not an issue in Germany but a fact of life. Though some may grumble about that fact, to do so is not the characteristic of any particular group. There is no "them" and "us."

A few days on the trail of this campaign left me afraid that the referendum will only reinforce that self-inflicted polarisation that Germans simply cannot grasp when asked to understand Britain's troubles.

When Mr Anthony Wedgwood Benn was presented to a rally at Wakefield, the first message to get across was that he was "one of us." The smile and grave Mr Benn looked modest. At this antiparade he was bestowed upon him.

Mr Clive Jenkins, general secretary of ASTMS, then undermined the European myth with judicious eloquence. He took the audience on a lightning tour of a West German supermarket where butter cost 75p per Mr Jeremy Thorpe's tongue to sleep.

European unemployment statistics. Europe's most successful economies were dismissed as being "very badly managed and Europe as a 'deep freeze'."

He told of his tip-off in an OPEC land that Britain's vast bubble of oil is bigger than the Kuwaitis of Northern Europe, he asserted, but instead Britain was urged to remain part of a community where multi-national companies "have a licence to do what they want, in a market created for them."

Underlining this picture of a capitalist conspiracy against the average man, Mr Benn said that "more and more people are waking up to the fact that they have been taken for a ride."

The tone was very different at the pro-Market rally in Liverpool. There was Muzak, Union Jacks, and even a touch of the Proms in the Philharmonic Hall. When the speeches started the atmosphere became almost German.

The futed phrases rolled off

the tongue of Mr Jeremy Thorpe's tongue to sleep.

Swing to Yes in Scots poll

By Chris Baum, Scottish Correspondent

and swept them aside to the delight of an audience that was soon interested and section interest."

In "amplification" Mr Prentice said he did not propose that there should be a coalition government. "It would be against the rules and conditions of the British constitution. It is not for any Government Minister uniformly and on his own to make answer."

But again he stressed: "There has got to be a government of national unity of some form."

He talked of the need for policies with the greatest degree of common ground. "I do not believe the Labour Party would have to water down any policies that are in the national interest." But he said, "millions of people are fed up with political point scoring. We should be trying to find common answers."

He felt that there were Conservative moderates as opposed to nationalists. There were, of course, arguments of principle between political parties. But, politicians had to prove their vitality by showing that their party was 100 per cent right and the other party was 100 per cent wrong.

It was not a matter for the politicians alone. It was necessary for everyone "to put the extremists."

Shore attacks flow of funds to community

By JOHN HUNT

THE PRO-MARKETEERS are aiming at a federal state of Western Europe with Britain reduced to the status of an offshore province, Mr Peter Shore, the Trade Secretary, claimed at an anti-Common Market rally at Kingston-upon-Hull yesterday.

His speech, enthusiastically received by an audience of about 200 at the TGWU HQ, was a manifesto attempt to heighten the tempo of the campaign as it ended its final week. Mr Shore concentrated his fire largely on what he claimed was the big flow of investment out of Britain and into the Market. Food prices and the balance of trade with Europe took second place to this theme.

This trend would be followed, he prophesied, by the large-scale movement of British firms into the EEC countries as they were entitled to do under the Treaty of Rome.

"You will find British people in their thousands moving into Western Europe to find jobs they can no longer get in this country," he declared.

He also maintained that what we had experienced in the first 24 years of membership was as nothing to what we would see in the second 24 years and thereafter.

By that time we would have forced on us what he could only describe as a second Rome Treaty. Under the terms of this new power bloc in which Britain would virtually be reduced to an offshore island province, we would have to harmonise VAT and taxes on business profits and enter into a single European currency.

Food mountains costing more

By Margaret Reid

THE COST of the "food mountains" of the EEC—stores of beef, butter, cheese, wheat, wine and other produce—was growing bigger, Mr Michael Meacher, Parliamentary Under Secretary of State for Industry, maintained at Oldham last night.

The withdrawal of this food under the policy for preventing prices falling cost £1bn in 1973. This meant that every household in the Market had to pay through taxes an average of £1.50 a month in order to keep food prices artificially high, said Mr Meacher.

Their economic purpose was to

£1bn. to pay says Shore

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Their economic purpose was to

In our series of follow-up visits, David Bell returned to South Wales to find that opinion had hardened in favour of the EEC

Valleys of resignation

WARIYAR,

without much with him,

are frightened that an unknown number who may be feeling that unemployment will even more be lost if Britain say one thing now and do now pull out.

Sovereignty is also very much another on polling day, place

fresh evidence from opinion

polls that the pro-Marketeers may

have accomplished the surprising

political feat of cracking Scotland's opposition to the

European Community.

This major poll prepared

by the Dundee-based research

organisation at System Three and

published by the Glasgow Herald

shows that while Scotland still

suspects its Europeanism, reluctantly the pro-Marketeers now

have a clear 13 point lead north of the border.

The poll indicates a "yes" vote of 45 per cent compared with 29 per cent in February and a "no" vote of 32 per cent compared with 45 per cent in February.

A confirmation of this trend is provided by a second poll published at the weekend by The Scotsman. Conducted by Opinion Research Centre it shows a narrower 7 per cent margin between pro and anti voters with 47 per cent saying they will vote "yes" and 40 per cent "no" and with 13 per cent undecided.

Anti-marketeers yesterday claimed evidence of a "sinister plot" for merging Britain into a European super state.

At a Get Britain Out Press conference in London, union leader Mr Clive Jenkins produced a statement he said was by Mr Peter Kirk, leader of the Conservative group at the European Parliament in Strasbourg.

This said the group's creation had "made possible a close working alliance with the Christian Democratic group which may prove to be the first step towards the formation of a European-based centre party."

The statement was contained in a pamphlet signed by Mr Kirk, Tory MP for Safron Walden, and issued by the European Parliament. Mr Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, called it an astonishing document.

This meant that our freedom of stability, our democracy and security and our hopes for the future were imperilled by continual membership.

He had already had a foretaste about what the free movement of money within the EEC really entailed. In the three years 1971, 1972 and 1973 £15bn of British capital had gone to Western Europe but only £150m had flown back from them to this country.

This trend would be followed, he prophesied, by the large-scale movement of British firms into the EEC countries as they were entitled to do under the Treaty of Rome.

"You will find British people in their thousands moving into Western Europe to find jobs they can no longer get in this country," he declared.

He also maintained that what we had experienced in the first 24 years of membership was as nothing to what we would see in the second 24 years and thereafter.

By that time we would have forced on us what he could only describe as a second Rome Treaty. Under the terms of this new power bloc in which Britain would virtually be reduced to an offshore island province, we would have to harmonise VAT and taxes on business profits and enter into a single European currency.

Many more said they yearned for seem to accept that we may have a TV programme which would put the unvarnished facts and

cut through the barrage of distortion.

Despite some suggestions in both pro and anti camps that there will be a low poll, I found few people who said they would not vote. The "undecided" and

other like hell," said one man.

Many more said they yearned for seem to accept that we may have a TV programme which would put the unvarnished facts and

cut through the barrage of distortion.

Mr George Wright, Welsh regional secretary of the Transport and General Workers Union and a leader of Wales Get Britain Out, campaign, says that he

will vote "Yes" but it certainly will not lose its suspicion of the Market and it will take more than loans and the opening of an EEC information office in Cardiff to convert the present

resignation into real enthusiasm.

One thing is abundantly clear:

the EEC is now very much a live issue in Wales. It is being argued about in pubs, clubs and shops and it never has been before.

South Wales, in the end, may well vote "Yes" but it certainly

will not lose its suspicion of the Market and it will take more than loans and the opening of an EEC information office in Cardiff to convert the present

resignation into real enthusiasm.

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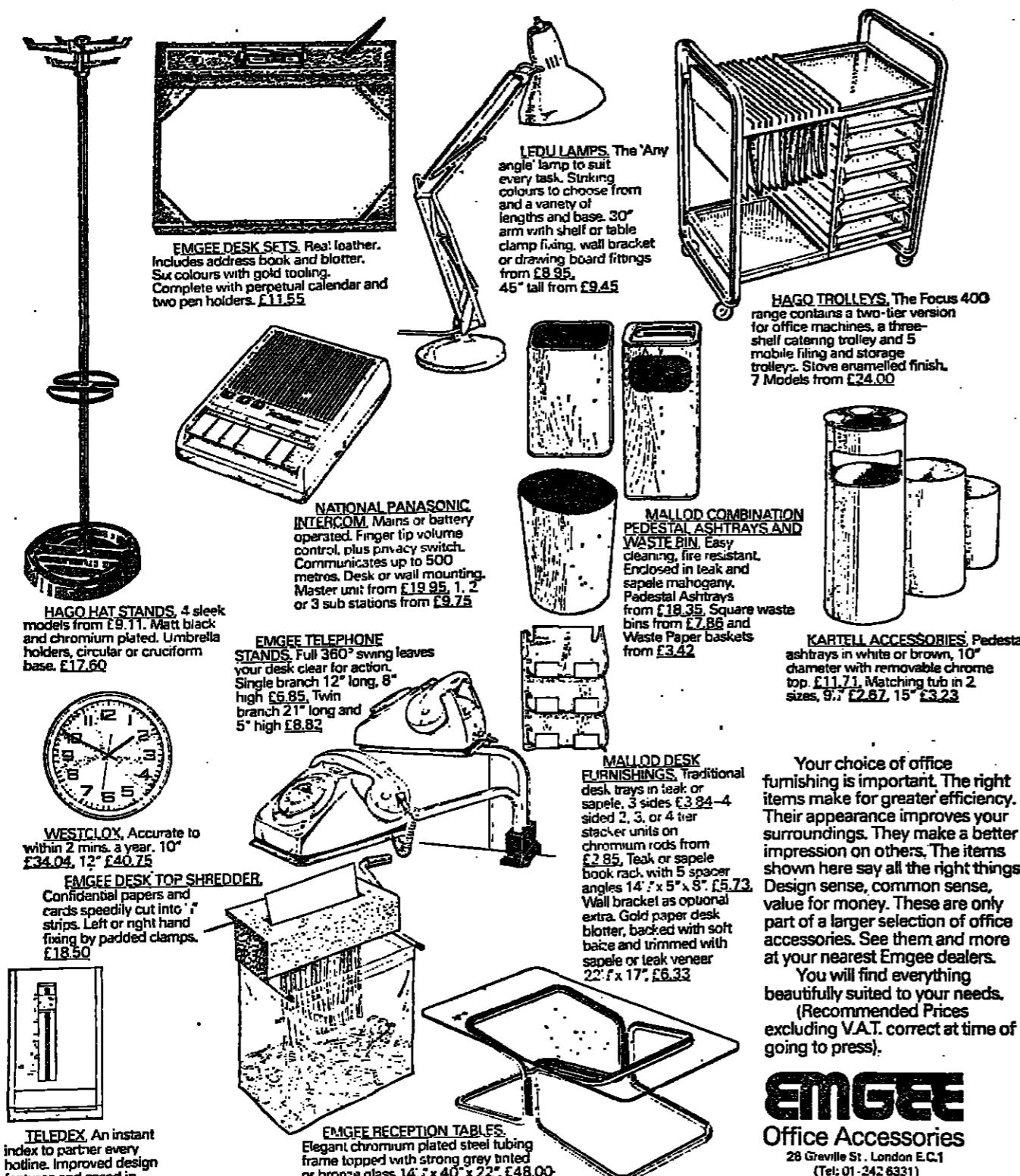
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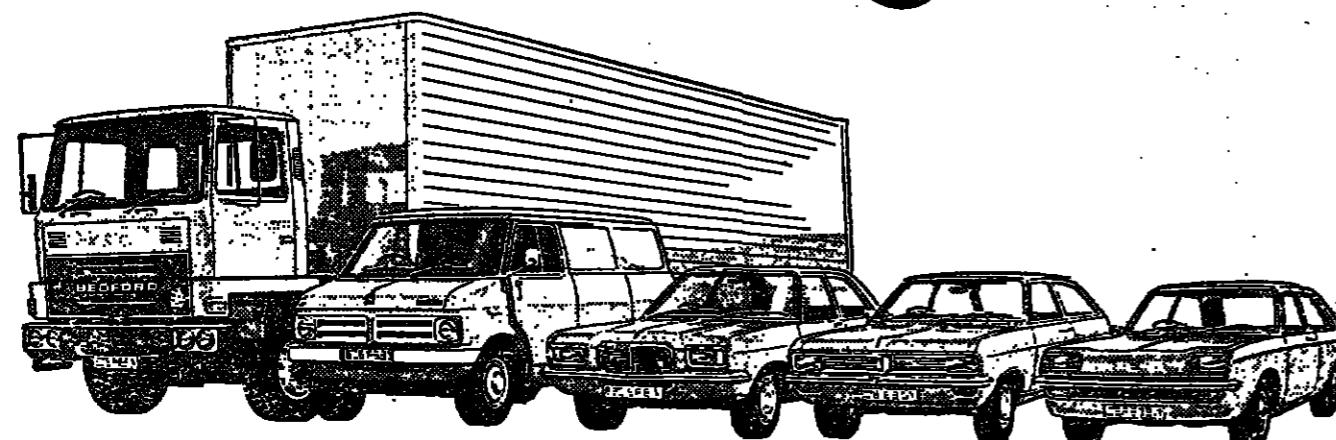


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The Executive's World

Telling them how it is

By KENNETH GOODING



Mr. David Abel Smith, chief executive of Astonia Holdings.

INDUSTRIAL COMPANIES in the U.K. have been increasingly conscious of the need to keep employees at all levels informed of what they are doing and of changes that are being made, particularly when these are likely to affect their conditions of work or their jobs.

In the best managed companies the main effort has been at the local level because people are basically concerned with their own environment. This is the situation at Astonia Holdings, the Delta Metal engineering subsidiary, which has been making strenuous efforts to improve communications to all its 2,300 employees at 12 sites.

What makes Astonia different from most companies, however, is that it has been working towards a situation where once a month, on a regular date, every one of its employees, both staff and hourly paid, are briefed on the activities of the company by a member of the management who is also an Astonia subsidiary company Board member.

A year ago Astonia was using a different technique. Works communications forums had been set up in the majority of companies. At these either elected or selected representatives of departments and offices would meet on a monthly basis to receive a report of the activities over the past four weeks from the general manager and to discuss any subjects thrown up by the report.

Communicate

Mr. David Abel Smith, Astonia's chief executive, says that, as time went by, it became clear that one significant and basic error had been made in this concept. It had been forgotten that the people who attended the communications forums had not themselves been trained to communicate. Often they did not understand, either, the fundamentals of things like capital employed and cash flow, subjects about which they were expected to communicate to other employees.

Astonia decided that the prob-

lem would have to be resolved in another way and it was then from improved communications that the briefing groups were born," says Mr. Abel Smith.

In the larger companies this Astonia company employees might involve five or six separate groups being briefed by two or three members of the management team in order to achieve the objective of every single employee at least being able to hear the message.

Mr. Abel Smith insists that a set time and date be fixed for the sessions in order to establish that they take a high priority in the month's calendar and cannot be put off for other things.

"When declining productivity is a topic which is causing us all great concern, it might seem irresponsible to take the information of value to the external world unless cut the available working time by half an hour a month. We, however, remain convinced that to manage our company to the best advantage other than to manage our employees, is offset by the improved produc-

Mr. Abel Smith declares: "Sudden and unpredictable changes, whether they be in relation to the reorientation of business, the reduction of a labour force or the reallocation of productive capacity, so frequently generate stress, anxiety and detrimental rumours unless those involved have been forewarned and are fully aware of the circumstances surrounding the implementation of management decisions. So it has become increasingly important for all involved in any company to appreciate the background to the reason for decisions are thrust on them."

It was also vitally important that the responsibility of the foremen or shop stewards should in no way be eroded or the traditional lines of communication be eliminated by the new system.

Astonia also accepted that there must inevitably be an educational phase of probably two to three years before employees appreciated the implications of such things as cash flow and the meaning of capital employed.

Implementation of the briefing session idea took longer than at first envisaged basically because some of the Astonia managers were sceptical about the whole project.

One of the sceptics was Mr. Frank Creswell, general manager at Solent Repetition. He now insists that the sessions have helped at a time when working hours had to be cut — preferably on a voluntary basis. They have also helped overcome some of the problems which arise when employees have had to be shifted from one job to another. And he says "the briefing sessions stop rumours getting out of hand."

At another Astonia subsidiary, making turned parts at Walthamstow, general manager Mr. Don Philp, maintains that the sessions have brought to the surface the kind of parochial problems that managers otherwise tend to miss — like the lack of transport facilities in the area, for example.

Mr. Abel Smith declares: "Sudden and unpredictable changes, whether they be in relation to the reorientation of business, the reduction of a labour force or the reallocation of productive capacity, so frequently generate stress, anxiety and detrimental rumours unless those involved have been forewarned and are fully aware of the circumstances surrounding the implementation of management decisions. So it has become increasingly important for all involved in any company to appreciate the background to the reason for decisions are thrust on them."

It was fully appreciated that certain information relating to a company's performance should be considered as confidential and that due consideration had to be given to the parent company's obligations to its shareholders and the stock exchange. Information passed on to the sessions in order to establish that they take a high priority in the month's calendar and cannot be put off for other things.

"When declining productivity is a topic which is causing us all great concern, it might seem irresponsible to take the information of value to the external world unless cut the available working time by half an hour a month. We, however, remain convinced that to manage our employees, is offset by the improved produc-

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However, the unions claim that pay is not the only criterion by which to measure the welfare of workers. The latter need more respect as human beings, and greater job security. This last is of particular importance at the present time, because the industry is tending to stagnate. In the immediate future a growth rate of only about 1 per cent per annum is projected, because of greatly increased Accord.

If the representatives of the union have any doubt on the end of 1974, it took an average of 12.8% in the home market, and expanding output covering such factors as temperature, humidity, light and noise; welfare; grievance procedures; redundancies.

The same source reports that aspect than during a period of

industry in 1970 be taken as

Until recently, the unions had

100, by 1973 the index had risen

not opposed it because the industry

to 135 for the industry as a

whole; to 136.6 in spinning, largely because of a

142.8 in weaving; and 117 in the decline in the number of

manufacturing of hosiery and school leavers, its main source

garments. Wages had also risen,

even more strongly, from 1970—

100 to 185.3 for cotton spinning,

and 187.2 for the chemical fibre

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It was against this background

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orderly marketing of imports."

NORRIS WILLATT

Change

The unions have been moved to press for these and other concessions because of the rapid joint committee of management and labour required to examine structural change in the industry. As a result, labour productivity has been greatly increased. Accord.

If the representatives of the union have any doubt on the end of 1974, it took an average of 12.8% in the home market, and expanding output subject, they are empowered to 2.4 Japanese to produce one in the developing countries.

have the operation surveyed by bale of cotton, compared with 4.5 Under such conditions, ration-

alisation takes on a different

approach. For instance, at Zensen Domei, 11,860 of its members were threatened with dismissal on account of 203 rationalisation projects.

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DR. DAVID CARRICK

Various remedies for the varicose

HUMAN NATURE, alas, is contrary, as a keen colleague of mine once discovered. We both house surgeons and the authorities felt that the seven jobs we both did were insufficient, so they added extras—for me the female deranged patients; for Ernest, the varicose vein clinic.

He had 40 regulars, all women, who attended each Friday afternoon. They were a strange collection, with an average age of 70 and they had nothing in common save for their varicose ulcers of which they seemed curiously proud, particularly one old soul who could boast a 15-year membership of the "varicose club."

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OVERSEAS NEWS

Neutralist feeling in army despite Ford-Franco talks

BY ROGER MATTHEWS

SPAIN'S visit to complete the arduous week-end about the programme he had set for him in Spain after the importance of the Spanish contribution to Western defence while not necessarily implying support for General Franco personally or for his domestic policies.

No final communiqué was issued after the talks on Saturday, although American diplomats privately expressed confidence that the present agreement, which permits the U.S. to maintain bases in Spain, would be renewed when it expires in September. Neither General Franco nor Prime Minister Carlos Arias is understood to have raised the much-discussed desire for a full mutual defence treaty or for an improvement in U.S. military and economic support.

But despite the U.S. confidence that the bases' agreement will be renewed, the White House would be unwise to underestimate the growing strength of those members of the Spanish General Staff together with a number of other senior ranking officers who are basically opposed to any new deal. This feeling is allied to possible major political changes in Spain which, according to some sources, could take place within months rather than years.

General Franco managed to

influence the U.S. to stand to have suffered for several years. *finished his welcoming speech in a voice that was barely audible.*

President Ford and his wife, they see themselves as, they may have been brief and insubstantial, but without trembling hand and mouth show side interference, and par-

ing the effects of Parkinson's disease from which he is under-

influenced by the U.S. has had on certain other countries. Mul-

tarily, they would like to see Spain develop its own munitions and armaments fac-

tories, purchasing where nec-

essary from countries not too closely tied to either Washington or Moscow. Whether they would

push these aims to the point of formally asking the Americans

to leave is still somewhat doubt-

ful. In particular, certain generals

in the army that are close to the

frontline there is every reason

to believe this could happen.

These men also understand the

value of propaganda effects this

might have on Spain internally

and the welcome it would

receive from Eastern Europe.

Should that happen, it might

reveal the existing opinion within

the army that Spain should not be aligned with either

of the major power blocs. The

Some evidence of the army's thinking has come from the sur-

prising shift in Spain's stance on

the de-colonisation of the Spanish

Sahara. The army does not want

to become involved in a

politically unwinnable clash that

would become increasingly bitter

and probably bloody as the

months went on.

Portugal 'stands by' Nato

BY ROBIN REEVES

PORTUGAL'S Prime Minister, wing member of the Revolutionary Council, went to great lengths to explain the origins of the revolution and its subsequent history. He insisted that the past, present and future actions of the Armed Forces Movement (AFM) — the Communist leaders know our position well on this point," he said:

At a Press conference at Nato headquarters here yesterday lasting some two hours, the social democracy in Portugal, Portuguese leader, backed by General Goncalves rejected Admiral Rosa-Coutinho, a Left outright the notion that his

country was becoming the Trojan horse of the alliance. His Government stood fully by the commitments of the Nato Treaty. It fully subscribed to Nato's objectives, reaffirmed by the summit.

"The Communist leaders know our position well on this point," he said:

The Prime Minister continued that since the AFM viewed as its "patriotic duty" the need to improve the conditions of working and underprivileged classes, it was only natural that it often found itself in agreement with the Communist Party. "But this does not mean we are tagging along with the Communists or any other party," he declared.

The AFM believed that in order to set up a true democracy, which went against the interests of the most favoured classes, it was necessary to have a provisional government which did not reflect, he admitted, the voting to the Constituent Assembly.

On economic aid and cooperation, the Prime Minister said this was being dealt with through EFTA and the EEC. The question had not arisen in his conversation with President Ford.

Reuters reports from Lisbon: The government will soon announce restrictions on the import of luxury goods and certain consumer products. Economic Planning Minister Mario Murtins said today. But he denied that the measures could lead to rationing.

Africans killed in Rhodesia riots

BY ADRIAN HAMILTON

By Tony Hawkins

SALISBURY, June 1. ELEVEN Africans were killed and 15 wounded to-day when Rhodesian police opened fire with pistols on a crowd of more than 2,000 African demonstrators who were stoning police dogs-handlers.

The violence erupted towards the end of today's African National Council (ANC) executive meeting in Salisbury's Highfield township.

The crowd had been waiting near the hall where the meeting was held, shouting rival slogans for the two nationalist movements, the Zimbabwe African People's Union (Zanu) and the Zimbabwe African People's Union (Zapu). Before

opening fire the police used tear gas and dogs in an effort to disperse the demonstrators.

The violence started early this morning when members of the Zanu faction (whose leader is Mr. Joshua Nkomo) attacked Zanu demonstrators carrying placards. Shortly after police riot squads moved in to disperse the rival groups with dogs. Later, it was reported that a bus had been stoned, there had been three other stoning incidents at beer-halls and a township administration office and all public transport to the township had been halted.

At its seven-hour meeting the ANC decided to resume preliminary talks with the Smith Government aimed at "a constitutional conference with Britain based on majority rule now." This was disclosed in a statement after the meeting, which also revealed that the ANC would hold its first congress (since absorbing the Zapu and Zanu factions) in

Salisbury on June 21 and 22.

The meeting condemned the violence that erupted outside the hall to-day, criticising both those demonstrations responsible and the police for causing the deaths and injuries.

The meeting called on ANC members to "desist" from such demonstrations so that executive meetings could be held in an atmosphere of quiet.

The Prime Minister continued that since the AFM viewed as its "patriotic duty" the need to improve the conditions of working and underprivileged classes, it was only natural that it often found itself in agreement with the Communist Party. "But this does not mean we are tagging along with the Communists or any other party," he declared.

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The Group's interests include: Financial services; Property; Leather merchanting; Importing and distributing of toys, giftwares and finished leather goods.

Copies of the Accounts can be obtained from The Secretary, 38 Savile Row, London W1X 1AG

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Tactics in a nuclear war of words

By DAVID FISHLOCK, Science Editor

THE REPORT of the inquiry Nader has promised his supporters into the Fliborough disaster porters that this is the year he prevent construction of the first is maintained, firmly believe (ACRS) under construction risk of fires in the molten nuclear station.

In West Germany, which has those things that make the An organisation calling itself has been christened, success Half-life has been quite active lately, Cassandra Lucifer and local feelings against the AGR.

Now the U.S. critics have brought the conflict to Europe. Britain probably averted trouble temporarily last year by choosing a new nuclear system on which no great weight of technical criticism has yet been built up, rather than the fiercely contested U.S. pressurised water reactor (PWR). But a recent leak of radioactivity so trivial that it gave no concern to the Government's nuclear inspectors nonetheless made headlines in the Press.

It will carry no weight with nuclear opponents that there is no resemblance between the two industrial processes or in the way they are regulated from the standpoint of staff and public safety beyond their complexity and the amounts of stored energy present. Still less will the opponents be impressed by the fact that both the U.K. Government and the British chemical industry are looking increasingly to nuclear expertise in plant safety and reliability to remedy deficiencies in chemical plant safety.

Nuclear energy, in the words of one leading critic, Professor Henry Kendall, Professor of Physics at the Massachusetts Institute of Technology, is simply "an unforgiving technology." By this, he is implying that a mistake once perpetrated must lead remorselessly to disaster.

Professor Kendall is also chairman of the impressively named Union of Concerned Scientists, which acts as technical advisers to Mr. Ralph Nader, leader of the nuclear opponents in the U.S. Mr. contracts was under way. In

Denmark, they are trying to Nuclear energy's opponents, it advanced gas-cooled reactors experiments concerned with the prevention of fires in the molten nuclear station.

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Dr. Dixy Lee Ray advises the Press and the public to demand more opposition to the PWR, the qualifications of those who may yet raise its head again to make unsupported assertions.

For the French plan about the hazards of nuclear power, the French site near Dunkirk, only about of organisations which lay 30 miles from Kent. M. André Giraud, chief of the French Atomic Energy Commission Concerned Scientists admitted (CESA), who in his four years to the U.S. Congress that it was as chairman has done so much an unchartered and unregulated industry, an industry which, with clothing, employs close on 1m. people.

France, however, not only chose the PWR but elected to go for a crash nuclear programme to reduce the burden of the new and revenue payments. Then, last December, it compounded its problems by officially publishing a map disclosing the whereabouts of several dozen potential sites for large nuclear stations.

Though many of these sites may never be needed, and many will not be required for a decade or two yet, about 52m. Frenchmen are now being told that they may be about to have nuclear reactors as neighbours.

U.S. nuclear opponents, including Professor Kendall, have been very active in Scandinavia lately. In Sweden, they are trying to stop the Government from securing either a moratorium on nuclear construction or to a new phase of fast reactor development, including construction of a commercial-size nuclear safety is being done.

The opposition, Dr. Ray claims, stems from an anti-intellectual opposition to technology not unlike the Luddites who in any case, he go much further and show the answer. "It's our job to prove that this reactor for a few more years. There's never been a society founded on poetry," scientist has said, doctors, too.

Rather, the industry aim have their critics. But if a doctor believes M. Giraud, should be torcous surgery, with all to reassure people whose fears attend risks, we may con-

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The Financial Times Monday June 2 1975

CONSUMER CONFIDENCE

Blues after budget spending spree ends

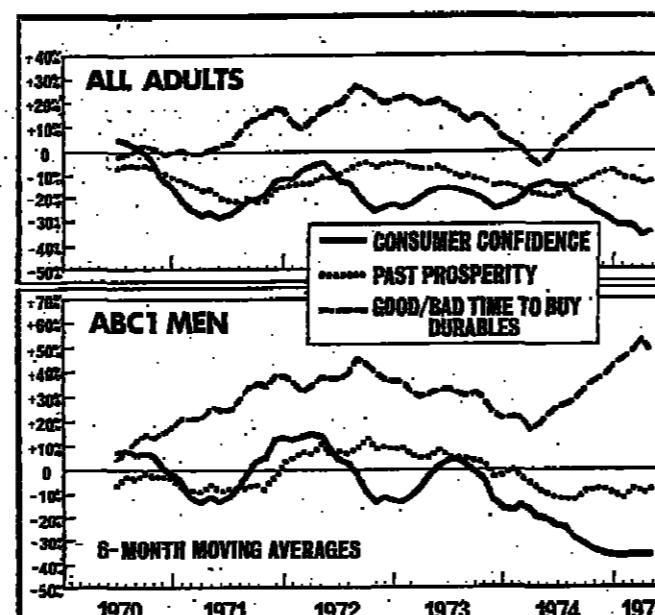
BY EINOR GOODMAN

WITH THE BUDGET spending spree behind them, consumers have had a dramatic change of heart about the advisability of buying consumer durables. According to the latest monthly Survey of Consumer Confidence, most people now think it is a bad time to buy consumer durables.

Whereas in April there was a positive balance in favour of buying of 33 per cent, there is now a negative balance of 16 per cent. As a result the six-month moving average of willingness to buy dropped sharply.

Overall there has been a further slight deterioration in consumer confidence since the Budget. This helped to push the six-month moving average of the consumer confidence index to a new low of 35.1 per cent. (The index measures the balance of those expecting conditions to improve over those who expect them to decline.)

The research, carried out shortly after the new luxury rate of VAT came into effect, shows that there has been a big increase in the proportion of people judging themselves to be worse off than a year ago. There is now a negative balance of 21 per cent against a negative at this time of year—but the



The consumer confidence line charts the percentage balance of respondents expecting conditions to worsen rather than improve outweighs the optimists by 38 per cent, and that there has been a further small decline in the six-month moving averages. As usual, rising prices are cited as the major cause for pessimism, while the Common Market is named as a reason by 5 per cent of the sample compared with 7 per cent in April.

A reversal of last month's positive attitude towards buying consumer durables is not only the result of the Budget. The figures are also affected by seasonal factors—traditionally people tend to think about holidays rather than buying durables.

© Copyright BMRS Financial Times. Full survey from BMRS.

The drop means that the six-month moving average of willingness to buy is now showing its first major drop since the autumn of 1972. ABC1 men are, however, con-

National Trust deficit up 40%

Financial Times Reporter

The National Trust recorded a deficit of £7,000,000 in its General Fund last year, 40 per cent higher than the 1973 figure. But the Trust's chairman, Lord Antrim, says in his report for 1974, just published, that the deficit was less than that feared earlier, thanks largely to increased income from visitors.

In addition to rising costs, the Trust has seen the value of gifts and legacies decline substantially overall. In the Donations Proprietary Funds, gifts were £1,070,000 and, paired with £2,113,000 a year earlier, the decline was only marginally offset by an increase from £426,000 to £550,000 in gifts made to the Capital Endowment Funds.

Profits and dividends rise rate slowed in May

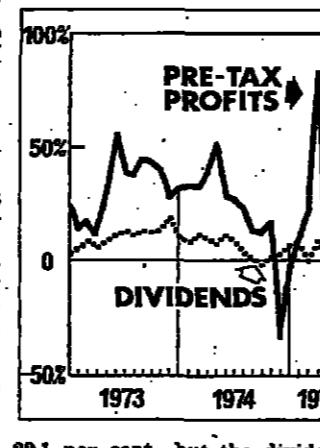
BY RON PUTLAND

PRE-TAX profits and dividends first three months when profits of companies which issued full were up 12.9 per cent, and dividends in May continue to rise, ends 3.6 per cent.

The improvement in profits comes after the comparable period last year was 8.1 per cent, while dividends rose by 2.6 per cent.

These figures compare poorly with the very sharp rise in profits in April of 33.3 per cent, and dividend by 8.6 per cent.

But April took in three oil majors. The May figure is also down on the average rise. A dividend unchanged and Sears better comparison is over the Holdings, profits were lower by



These Debentures having been sold, this announcement appears as a matter of record only

11th APRIL 1975

CAISSE NATIONALE DE L'ENERGIE

US \$ 40,000,000

40,000 DEBENTURES 9 1/4% 1975-1985

UNCONDITIONALLY GUARANTEED BY THE REPUBLIC OF FRANCE

Banque Nationale de Paris

Credit Lyonnais

Société Générale

Credit Suisse White Weld Limited

Kredietbank S.A. Luxembourgeoise

Manufacturers Hanover Limited

Smith, Barney & Co.

Incorporated

Banque Internationale pour le Financement de l'Energie Nucléaire (BIFEN-INCO)

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Bank Gutwiler, Kurz, Bungener (Overseas) Limited

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Bank Française de Commerce Extérieur

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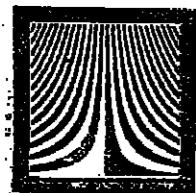
Baring Brothers & Co. Limited

Berliner Handels-Gesellschaft-Frankfurter Bank

Caisse Centrale des Banques Populaires

Crédit Industriel et Commercial

Crédit Foncier et Commercial</



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCROETERS

POWER

New move in battery vehicles

WITHIN a few weeks the petro- and diesel engined factors. In the meantime, of these cells are also being vehicles for urban deliveries straight economic factors will be superseded completely, come into play, particularly if only because the electric vehicle offers such a sharp reduction in the amount of maintenance that has to be carried out—by half compared with the battery vehicles, to take a long step further, though not quite to the limit where it can take over from the petrol-engined family car, is the sodium sulphur battery, now being developed purely as a commercial venture with strict cut-off dates for each stage in its progress towards wide-scale use.

A development team led by Mr. C. Morris has applied all his experience gained from work on Silentrider to a complete redesign of the drive train, motors and controllers needed for such a vehicle. Coupled with the lighter weight and higher energy battery, this spells an electric transporter with better hill climbing characteristics than with current designs and a much greater range and capacity than before. Its protagonists expect to see sales of 300/500 vehicles in the first year of promotion.

All this is being done by the company "off its own bat," while its major European competitors are being heavily supported by Government funds under the double banner of energy saving and pollution reduction.

Chloride spokesmen, however, say that at the moment, the undoubted environmental gains of silence and freedom from exhaust gases are not being considered at all by the local authorities, who should be in the forefront of the environmental battle. But as the environmental lobby in the United States gains ground, the company is ready to go in a there will inevitably come a new direction and claims already made with present technology, will be paid in Britain to such

straight economic factors. In the meantime, of these cells are also being tested continuously and the results of the tests analysed by computer. In the near future, some 300 cells will be under constant test at Runcorn against 100/150 at present.

Waiting in the wings, to take the battery vehicles a long step further, though not quite to the limit where it can take over from the petrol-engined family car, is the sodium sulphur battery, now being developed purely as a commercial venture with strict cut-off dates for each stage in its progress towards wide-scale use.

Optimum cell size is one yielding 400/500 watt/hours of power.

In just over a year the design will be frozen and work will then be directed towards building battery packs and testing them exhaustively in vehicles which could include the electric bus.

But propulsion for low-cost vehicles is not the only target. Rapidly coming to the fore, especially in power-hungry America, is the idea of lead levelling, which allows local sub-stations to cope with sudden surges in demand without the need to raise generating capacity.

This development, when it takes place in Britain is likely to be met by the use of the Mk. II battery, still some time in the future. In the meantime, however, the Chloride Silent Power team has not forgotten the lessons of the fuel cell and the development cut-off system, largely applied by outside experts, will be rigorously applied to the lead-acid battery.

Banks at the Allen Clark Research Centre, Caswell.

Plessey Microsystems will market both standard OEM and end-user products, and will also undertake the design and manufacture of specials to customer requirements.

LUBRICATION

Oil lessens diesel wear

DEVELOPED primarily to meet the severe lubrication requirements of the new highly rated slow-speed marine diesel engines

as a result of high performance

semiconductor devices produced now entering service, is a

cylinder oil, Alexia X, introduced by Shell.

The company says the oil is also suitable for use in more moderately rated engines, where fuel sulphur levels are high

(above 3 per cent).

Tests in the Shell laboratories in Amsterdam, and in sea trials in ships of various ages and with different makes of engine, in some cases showed piston ring life doubled and cylinder wear halved compared with results achieved with standard oils. Pistons, ring grooves, cylinders and ports were generally cleaner.

SECURITY

Finds the best-hidden bugging

SCANLOCK Mark II is a bug-detector that covers the frequency range 10MHz to 400MHz and electronically normal private radio transmitter scans this spread in under one in a vehicle at 100 feet.

If a transmitter of 3mW or more is working within 20 feet from pure

the unit will automatically lock to the frequency it transmits.

If the transmitter is locked to a vehicle with the Scanlock.

Even if locked to a vehicle

PROCESSES

Hydraulic oil saved

STEEL TUBE division of Tube-tramp oil contaminants tend to cause problems of dimensional stability which lead to registration difficulties. Solvent coating resources by re-cycling.

One sector of this division Midland Oil Refineries has developed a particular process of its hydraulic oil by using a service that restores used oil to primary specification at a cost 40 per cent less than that of obtaining new oil. The used oil is processed by Midland Oil Refineries of Halesowen, West Midlands, and is guaranteed.

Division costs are thus substantially cut and by re-cycling the oil for its original purpose (not downgrading it to an inferior specification—an easier but less useful way of recycling), the division makes the best use of its conservation work.

The hydraulic oil is used in extrusion and drawing presses producing precision hollow extrusions and 40,000 gallons is required annually. Experience has proved that even in the best-designed and best-maintained presses, some hydraulic oil is lost through leakage. This oil is collected in sumps and periodically transferred to used storage tanks.

Water and tramp oils—particularly the oil used to lubricate the product when it is being extruded or drawn—and their waste, are collected and used as hydraulic oil. Both the water and the lubricants are particularly unwelcome contaminants.

Contamination

It is extremely important that contamination should not exceed certain levels as the operational efficiency of the oil declines rapidly and its flash point can be reduced.

Samples are checked regularly to ascertain the presence of these contaminants and, where these samples have reached predetermined safety levels, the hydraulic oil from these systems is also pumped to the oil storage tanks and replenished from new and re-refined supplies.

Hydraulic oil is particularly difficult to re-refine as certain aqueous gum coating can pro-

Think
2900

Think
2900

COMPUTER

See Back page

POLLUTION

Absorbs oil on water

DRIZIT is a non-toxic fibrous absorbent composed of organic vegetable matter impregnated with oleophilic and hydrophobic agents. This chemical impregnation allows the saturated or unsaturated Drizeit to float on water for prolonged periods.

The material is immediately effective and absorbs upwards of five times its own weight of oil dependent on the viscosity of the oil and the physical conditions at time of use. It is highly efficient and absorbs mineral, animal and vegetable oils, most solvents and acids up to 1500 sec Redwood viscosity. It will absorb oils of a higher viscosity, but the absorption rate will be slower.

On open water courses, rivers, canals, etc., the oil pollution would be confined by deploying a boom downstream from the spill and allowing the oil to be retained. Depending on the quantity of oil or situation of the spill, the boom may either be left in position or pulled into the shore so as to contain the oil. A layer of Drizeit would then be applied to the polluted area. Once saturated with oil, it can be harvested by means of rakes, and then collected with a wire mesh scoop or alternative equipment. If necessary, this process should be repeated until all free oil has been absorbed. The saturated material may then be bagged up in the original plastic container. A similar method

can be used to apply, harvest and collect Drizeit where the oil is confined in ditches, ponds, interceptor pits, sumps, bilges, etc.

XZIT (G.B.), Invicta Works, East Malling, Kent. West Malling (0732) 843 131.

ELECTRONICS

Plessey's micro move

PLESSEY has formed a new business, Plessey Microsystems, as part of the division of the same name, to operate in the area of electronic systems based on modern microprocessor technology.

The new business has been set up around what was previously the Microsystems Unit, essentially an advanced electronic engineering activity specialising in "dedicated" (for example, fixed program) digital processing. Microprocessors will, of course, figure heavily in the operation, as further announce-

ments will indicate.

Mr. W. A. T. White has been appointed general manager of Plessey Microsystems, with Dr. C. H. Paterson as engineering manager, and Mr. D. W. Tarrant as sales and marketing manager.

All three previously held similar posts in the Microsystems Unit.

Plessey sees this activity as a business which will be closely involved with putting current hardware technology into systems, with particular emphasis on semiconductors. Products will include not only equipment based on commercially available microprocessors, but also special-purpose computing devices which have been developed in-house.

Many of the products planned, of course, will depend on high performance semiconductor devices produced now entering service, is a

cylinder oil, Alexia X, introduced by Shell.

The company says the oil is also suitable for use in more moderately rated engines, where fuel sulphur levels are high

(above 3 per cent).

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Even if locked to a vehicle

the unit will not lock to the operator walks round the room. The distance changes for stronger bug transmitters.

In doubt the operator can

switch to proving mode. This mode sends out an audible coded tone from the Scanlock loudspeaker and at the same time the scanning circuit seek for an RF return of the coded tone.

This return takes place if the microphone of the bug can hear the tone—being within range

as it then transmits the tone back to the device. If the transmission is from a vehicle or some other transmitter which has been brought close to the building, but not within the area being searched, then the feedback loop will not take place.

Once it is determined that a bug actually exists in the room then the operator can

switch to the third mode—search and locate. In this mode the Scanlock stays locked to the frequency it has found and the scanning circuit seek for an RF return of the coded tone.

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Building and Civil Engineering

£4.7m. airport contract

BRITISH AIRPORTS AUTHORITY line staff has been awarded a contract to George Wimpey and Company for the construction of a central pier at Gatwick Airport. Part of a major improvement programme at the airport, the £4.7m. contract is for passenger movement to aircraft on stands without piers. The contract also includes the demolition of the existing pier and the reinstatement of the aprons. The station is due for completion in June 1978.

The pier will be served by passenger conveyors in the main walkway. Ground floor accommodation is being provided mainly for air-

This follows the announcement in Dubai on May 6 that British Smelting Construction (with which Wimpey is linked) had been awarded a contract involving the immediate commencement of preparatory work, both engineering and commercial, leading up to the construction of a 120,000 tons per annum smelter.

Aberdeen office of Wimpey has a contract for 60 two-storey Nodules dwellings awarded by the Burgh of Huntly (part of the newly-formed Gordon district council).

There are ten gaterooms on the pier and light-weight concrete cladding panels. The pier will be connected by a steel-framed bridge to the main terminal building.

The four gaterooms on the pier will be served by passenger con-

veyors in the main walkway. Ground floor accommodation is being provided mainly for air-

main pier in November 1978 and the whole contract in June 1978.

Wimpey is also interested in the appointment by Dubai Alumina Company of Southwire Company of Carrollton, Atlanta, Georgia, as the prime producer consultant for the new aluminium smelter which is to be constructed in Dubai.

Big Iranian road scheme

BATH AND PORTLAND GROUP, through its subsidiary Marples Ridgway, has negotiated a £45m contract with the Ministry of Roads and Transportation, Government of Iran.

The contract is for the construction of 300 kilometres of Class 1 highway in South East Iran from Shurugs through Zabedan to the Pakistan border.

The necessary bonds required by the Export Credits Guarantee Department and in their completion the group has been advised on mobilising the necessary staff and equipment at site is to start

Prospects of more trade with Oman

TALKS between 16 UK manufacturers and a building mission from the Sultanate of Oman took place in London last week.

The mission was sponsored by the British Overseas Trade Board and the Building Centre and it was emphasised that there were good long term prospects for business if the country was dependent on imports and no building materials are manufactured in Oman.

It was pointed out that goods should be consigned to a ship which calls at the port of Muscat at transhipment is costly and very inconvenient. Three weeks should be allowed for clearance, and it was preferable to ship in the non-monsoon season between September and May.

The mission included a representative of Makya Associates, consultant architects and planners to the Omani Government, members of the Oman International Construction Company, the National Engineering Contracting Company, and Al Khoni, the major importer of building materials in Oman. Enquiries should be directed via The Building Centre, Store Street, London WC1.

shell adjacent to Silver Blades and Bromsgrove Street.

This is the conclusion of the redevelopment which Cubitts started in 1972, and brings the company's total involvement to an aggregate of 50m.

Many houses for Glasgow

AMOUNTING TO nearly £2.7m., a further contract has been awarded to Holland, Hannen and Cubitts by the City of Birmingham District Council for more redevelopment on the wholesale market

Disposal of waste in Hong Kong

G. MAUNSELL and Partners are carrying out the civil structural design of a new \$118m. incinerator at Kwai Chung, Hong Kong, which is expected to start operation in 1979.

The incinerator will have a capacity of 900 tons per day and is being designed and supplied by Clarke Chapman, International Combustion Division. Maunsell's associated firm, Maunsell Consultants, Asia, is responsible for the project including supervision of the construction of the civil engineering and building works.

T. T. BOUGHTON and Sons, of Amersham, Bucks, has built a new tractor—based on the international Harvester TD8B Series II power shift chassis—which with a ground pressure of less than 2 lbs psi will be able to work continuously on very soft ground.

Design work for the crawler tractor has been completed by Century Fabrications, of Partridge Green, Sussex.

Two versions are available, and both with what is believed to be the lowest ground pressure for any tractor yet developed, are particularly suitable for ploughing, general cultivation and forestry work.

Extras for the tractors—which will be marketed and serviced by International Harvester dealerships—include dozer blades, three-point linkages, winches, loading shovels and back hoes.

Code to cut site noise

HOPES WERE expressed by the British Standards Institutions that contractors and local authorities would "work in a spirit of co-operation" in the application of BS 5228 "Code of Practice for Noise Control on Construction and Demolition Sites" when the code was announced last week.

The code sums up current experience of noise reduction techniques and gives guidance as to their application. It was prepared in response to a radical change in the law covering noise from construction sites and its form is largely dictated by two recent pieces of government legislation, the Control of Pollution Act 1974 and the Health and Safety at Work, etc. Act 1974.

The Control of Pollution Act embodies the new concept of exerting control over noise from construction sites before work on site begins. It provides local authorities with powers to specify noise requirements which the designers, contractors, engineers and site workers themselves.

It was made clear at the conference launching the new code that the hope for co-operation is probably forlorn and there are a number of factors leading to this conclusion.

BSI was asked to provide that code and has now done so in BS 5228. One of the code's main objectives is to give local authorities guidelines on what can or cannot be done to deal with noise from construction sites. It is a manual on which they can base their requirements, adapting them to their particular local needs, says BSI.

BSI says practicality has been the keynote in drafting the code. Full advantage is taken of common existing methods of noise reduction—and this often simply means the proper use and maintenance of equipment by personnel on site.

Accepting that construction and demolition sites cannot be silent work places (the code suggests not more than 75 decibels from 07.00 to 19.00 hours), BSI points out that the problems of noise can be contained, but that fulfilling the requirements of the code involves the co-operation of everyone connected with the work—local authorities, developers, architects, planners, engineers, noise consultants and site workers themselves.

It was made clear at the conference launching the new code that the hope for co-operation is probably forlorn and there are a number of factors leading to this conclusion.

Until the legislation provides the local authorities with the necessary teeth there will always be some contractors who will evade the provisions of the code.

Another problem is the ability of the local authority to assess the situation and provide the necessary equipment and skilled staff to use it. Noise pollution is to some extent subjective, but a subjective opinion could have a hard time in court.

With the present financial restrictions on local authority expenditure, where are the smaller bodies to obtain the funds to monitor site activities?

BSI suggests borrowing from the local University or Polytechnic.

Copies of BS 5228 are available from BSI Sales Department, 101 Pentonville Road, London N1 9ND, price £5.

IN BRIEF

R. Costain and Sons has won a contract worth over £1m. to build 44 staff houses for the Park Lane Special Hospital at Macclesfield, Lancashire for the Department of the Environment Property Services Agency.

Rush and Tompkins Group has been awarded a £320,000 contract at Queen's Gardens, London, W2, by Venta Quest for the construction of the superstructures to 30 luxury flats and maisonettes. J. T. Parsons, the company's West Country subsidiary has been awarded contracts totalling £892,000.

Mears Construction has won a £255,558 contract for an extension and alterations at Prestatyn High School, Prestatyn, Flintshire.

A contract has been awarded to John Willmott Construction to build warehouses and offices worth £450,000 at Leighton Buzzard, Beds, by the Sun Alliance and London Insurance Group.

A COMPLETE PACKAGE DEAL

Owen Thorn offer the facility to take full responsibility for any automated warehousing project, including cold store, from when the storage and distribution problem first arises right through to final commissioning and hand-over.

Owen Thorn Automated Warehousing Limited, 150 Newport Road, Salford, Staffs, England.

Telephone Salford 52555

GLEESON

HIRE NEW

He has everything you need to keep the job moving. Remember, anything they can do New can do better.

HEWDEN/STUART Plant Hire Nationwide

Tourist amenities in Dominican Republic

SIR WILLIAM Halcrow and Partners has been appointed by the Central Bank of the Dominican Republic to carry out design and supervision of the engineering infrastructure works for the Puerto Plata tourism development project on the north coast of the island.

The engineering infra-structure works include in two separate areas, the Playa Dorada

adjacent to Puerto Plata, and the Playa Grande close to the village of San Juan, 20 km. to the east. The Playa Dorada area extends over 200 hectares and the proposed development comprises the hotel development will be financed by private capital.

Halcrow is associated with two local firms: Aconurasa and Ingenieria Sanitaria Spora.

ESPLEY-TYAS CONSTRUCTION LTD

BUILDING & CIVIL ENGINEERING

A Member of the Espley-Tyas Group of Companies

P.O. Box 6, Park Hall, Salford Priors, Evesham, Worcestershire, Tel. Bickford-on-Avon 3721 (20 lines)

Formwork support

METRIC "quick strip" soffit and walform systems equally capable of utilising panels, cut ply, waffle moulds and trough forms have been developed by the formwork divisions of Mills Scaffold Company.

Millform 300 conforms to the preferred 300mm metric module by achieving propping centres in both directions. In three multiples of the module, design and programming are therefore greatly simplified. The three main components are the main support beam, the double-headed prop and the multi-purpose panel.

The beam may be used longitudinally and transversely between supporting props and also in intermediate positions.

In addition to reducing the number of separate components that need to be stocked, it enables achievement of economic prop loadings—up to 4.2 sq. m. per prop.

By minimising the number of prop, erection times in the region of 8-12 sq. m. (including formwork) per man-hour can be attained.

Panels, available in a range of 15 sizes, are equally suitable for constructing walls, soffits, beams and columns.

The double action prophead can be used in both Millform 300 prop or in system scaffolding conforming to the required proping centres. Props can also be fitted with lacing collars for use in conjunction with system proping ties for added stability and increased prop loading capacities.

The proping ties facilitate efficient setting-out and are used to support working platforms. Millform 300 has already undergone extensive field tests.

Mills, a GKN company, is at Bridge Street, Wednesbury, West Midlands, WS10 0AW. (0823) 39811.

Cladding should last 60 years

A CLADDING system in glass fibre reinforced polyester resin, with the appearance of shiplap boarding, has been introduced by British Industrial Plastics, PO Box 11, Tat Bank Road, Oldbury, Warley, West Midlands B69 4NP (021-552 1551)—a Turner and Newall company.

Known as "Filon" S/150, it is supplied in 1200mm wide panels, up to 10 metres long—a 12 by 10 metre panel weighs 25 kg. The panels can be cut, sawn and drilled with conventional tools.

Combining the two materials will assist factory or warehouse builders and developers in meeting both current cost problems and more stringent fire regulation standards. The overall structure is initially cost competitive with an all-steel structural frame, while main maintenance costs are vastly reduced by casting the vertical members in concrete.

These vertical members possess a basic two-hour fire resistance (ranging up to four hours if specified)—meeting the upgraded fire rating requirements of many local authorities.

Asperon has already won a development contract worth £75,000 for the new system, involving the construction of warehousing units on a new industrial estate at St. Albans being developed by the Finlinson Group.

World patents are being sought for the design by the company, known as Blacknell Timberplast windows which is at 600, High Street, Harpenden, Herts. (0827 64251).

It is claimed that the sheeting, properly fixed, will still be structurally sound after 60 years' service in any Northern European climate.

Partington wins £1½m. contracts

GERIATRIC UNITS for hospitals at Hyde, Cheshire, and Leigh, Lancs, are being built by T. Partington and Son (Builders) of Oldham.

Both contracts are for the North West Regional Health Authority, that at Hyde being worth £715,647 and that at Leigh at £810,668. The units are scheduled for completion by the autumn of 1977.

The windows are factory-assembled and neoprene gasket glazed in a way similar to a car windscreen thus eliminating putting, draughts, rattling and leaks.

The Hyde unit will be a standard psycho-geriatric unit consisting of a three-storey precast concrete frame building with plant rooms and lift tower.

At Leigh the requirement is for a standard psycho-geriatric unit consisting of an in-situ concrete frame building of three storeys, 17 metres high and with a total ground floor site area of over 1,000 square metres.

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MONDAY, JUNE 2, 1975

Nato and its quarrels

AT THEIR meeting in Brussels talks between the Greek and Turkish heads of Turkish communities in Cyprus, Government devoted relatively little time to the subject of defence. Such an approach has become the rule rather than the exception at recent Nato sessions and in a way is understandable. In the past year or so, the members of the Alliance have been facing economic difficulties which have put their ability (or more accurately their will) to maintain adequate defence expenditures in doubt. Nato Ministers have thus used their meetings to stress their inter-dependence in the economic as well as the security field.

Divisions

Yet it would be a mistake if economic difficulties were allowed to divert attention from the essentially military purpose of the Alliance or, as in the British case, to become the sole excuse for defence cuts. More than 25 years after its foundation, Nato can and ought to be seen less as an ideological alliance than as an instrument for the maintenance of the balance of power. The fact that the great majority of its members are democracies and belong broadly to the same economic system is an additional plus point, but it does not mean that Nato can always afford to shun those gians to join the Scandinavians and the Dutch in buying a U.S. government's some of its successor to the Starfighter members dislike.

The military balance of power only accentuates them. It looks in Europe is still just about like a confirmation of the U.S. tolerable, but there are three view that Europe should buy possible danger points. First, the only American aircraft. Yet Warsaw Pact is continuing to Europe could have put up a improve its forces and equip better fight for the order if only more rapidly than Nato—it had been more united. Either a fact which should itself preclude any further Nato reduce Eurogroup where these things. Second, there could be a are discussed, or there will have feeling that East-West detente to be a new body. At present, has become irreversible—with the European dimension to out a recognition that detente defence is still lacking and no depends on maintaining the amount of talk about turning balance of power, if ultimately Nato into a more political at a lower level. Third, there are organisation will provide the divisions within Nato itself. Possibly there will be time for the most obvious of these divi- this after the British refer- sions concern the Southern dum on Thursday. Certainly a flank. The Greek and Turkish number of Nato leaders in Prime Ministers met last Saturday and the prospects for the an awareness of the need for it.

Making a start on indexation

THERE are three main aspects share accounts in most building of indexation which require societies would receive 7 per cent tax-paid, which represents Government action, or at least a negative real return of around 15 per cent.

The new certificates are the tax system and the provision unlikely to present a threat to fixed interest securities except the Government's borrowing ability. Switches from existing Government securities will leave Treasury borrowing untouched, while the Government is now the least controversial. will actually gain from switches. The indexation of taxes, whether out of the building societies. It is the personal allowances and is not surprising that the higher rate starting points or societies are worried. If they of capital taxes, in the area are really put under pressure where the Treasury has so far been most resistant. The inflation-proofing of savings securities is in the intermediate area. Successive Governments have themselves, both for investors not been keen on the idea and have dragged their feet since the Page Committee report. But Ministers are making a start with two limited issues of Index-linked National Savings Certificates.

Limited purchase

From today pensioners will be able to buy a maximum of £500 of these bonds; and from July 1, other people on the "Save-As-You-Earn" scheme will be able to purchase a maximum of £240 of such bonds per annum. SAYE savers will receive no interest, but be given a repayment value linked to the Retail Price Index, provided that they have hung on for five years. Purchasers of Retirement Certificates will receive the retail price augmentation, after one year. Both categories will receive a small bonus for holding on.

Compromise

If the Government could convince people of the likelihood of a sufficient and sustained reduction in the rate of inflation, then indexed bonds might retreat to a modest place among savings media. If pessimism about inflation continues, one can expect powerful demands for the extension of indexation to marketable securities of the kind that pension funds can buy—although this would not necessarily lead to positive real rates of return, as dated indexed securities could well be sold at a premium. In any case it is difficult to see the present compromise lasting. Either inflationary expectations will different reactions, both come. Lobbying was fierce, with the same usual offers of first-class all aim. This is to raise the stake expenses paid travel round the world offered to uncommitted habit will spread to a

Courtaulds' and Coats Patons' poor results last week reflected the impact of the world textile industry's problems on major British companies—but there may be light at the end of the tunnel, reports Rhys David

U.K. textiles: seeking shelter under Europe's umbrella

UNBOWED by the Government's reluctance to accept its request for import controls, the British Textile Confederation has just produced another statement addressed to a wider audience, this time on the subject of the EEC. Though its recent pressure has been directed towards securing some degree of protection for domestic producers against low-cost suppliers from abroad, the textile industry has at the same time been conducting a campaign for continued EEC membership. Indeed the latest statement is intended to bring home the industry's view that no real alternative to membership exists. Mr. Alan Clough, president of the BTC, which represents both trade associations and unions, warns that many jobs in the industry are related to hopes of increased sales in Europe and he makes it clear that selling will be much more difficult from outside the Market.

The British industry's commitment to Europe is indicated by the remarkable take-over of EEC textile institutions by U.K. representatives. Mr. Clough himself is chairman of Comintextil, the pan-EEC organisation embracing federations like the ETC, but in addition Britain is also currently providing the heads of the associations representing European manufacturers of cotton and allied textiles, man-made fibres, and wool—three of the most important trade groups. From September the chairman of the knitwear producers will also be a Briton.

Surprising support

The extent of this support for the EEC is perhaps surprising, given the international nature of the textile industry and the diversity of its operations. After all the Yorkshire industry draws its raw materials from Australia, South America, and other distant sources and sells its products to Japan, the U.S. and instances improved. The big Middle East as well as to the West.

In fact Britain's imports of textile products from the EEC have increased since entry at a faster rate than exports, while it has a record of innovation, which the European industries cannot match.

Similarly the big groups in Lancashire have come out in favour, having stepped up their operations in Europe since entry. Some doubts remain among the smaller producers in Lancashire because of the increased access to the U.K. now given to EEC associate countries in the Mediterranean, but most would still prefer to see this problem sorted out within the EEC rather than by withdrawal.

The whole of Europe has come under strong pressure from imports from low cost U.K. exports grew from £104m. to £219.6m. In fibres and clothing trade the U.K. has turned to textiles and clothing imports from Japan, the U.S. and instances improved. The big Middle East as well as to the West.

Nevertheless its place in yarns and fabrics nationally in textiles and clothing production.

Although it has long been fashionable to forecast the transfer of all textile and clothing production to the developing world, these countries and even some of the advanced textile centres like Hong Kong will

have however not be able to provide the full range of sophisticated garments, furnishing fabrics or industrial textiles which a modernising their earlier positions, imports grew at 48 per cent in 1973 and 30 per cent in 1974. Local manufacturers are always likely to be able to react more quickly to fashion trends and these are still likely to be set mainly in Europe.

support for continued balance of trade with some other parts of the world, including EFTA and Comecon has actually improved, though generally this pattern of trade in textiles—in many other industrial sectors—suggests that the U.K. industry has been coming off second best against Continental competition since entry. The 74 per cent rise in exports to the EEC.

Given these facts, the industry's support for entry might

put it at some advantage in Europe. It possesses four out of the five largest European

It is down this road of in-supplies while those taking more will be able to accept a where Britain is competing on more or less equal terms in the production of better quality. For Britain, which accounts for around 30 per cent of total textile imports into the EEC, this agreement is obviously of reasonable competitive. The example of India shows. At

present Britain takes some 70 per cent of Indian cotton cloth imports into the EEC, and faced with a 6 per cent increase on the present total, Britain would clearly have to seek some 1973 and for much of 1974.

The decline in textile demand also started much sooner on the Continent than in the U.K. with the result that goods were diverted to the British market at a time when it was virtually the only buoyant source of demand in Western Europe.

Retail sector's efficiency

The U.K. is also a relatively easy market to sell into at the best of times because of the efficiency of the retail sector. Textile producers on the Continent can often gain access to hundreds of British stores for their fabrics and made-up goods simply by talking to a handful of buyers in London. To achieve the same penetration on the Continent requires vastly greater efforts.

It has to be admitted as well, however, that there are weaknesses in the U.K. textile industry—for example, in clothing productivity rates compared with the EEC. In availability of certain types of yarn and fabric and in style, colour, and finish of some goods—and these will have to be put right if the industry is to hope to win back some of the ground it has lost in trade with the EEC countries.

The industry also claims that an initial setback was expected and that as a result of membership some of the problems can now be seen more clearly and can be solved with the help of EEC aid.

Apart from access to EEC social and regional funds to help with any further rationalisation of the industry, the textile industry is also able to participate in joint EEC research and is currently receiving EEC aid for three research projects on the U.K. market as an outlet for the production of their cotton industries. But although this has caused serious problems in Lancashire, Britain has been able within the EEC's regulations to put quota restrictions on Greek and Turkish yarn.

The final argument is related to the size of the U.K. industry itself. This gives Britain a proportionate influence in Community textile policy, and through the EEC a disproportionate influence on world textile policy. This influence within EEC councils has already been put to good use in drawing up Britain's trading balance the burden-sharing agreement with the EEC is disturbing and in the negotiations which have followed with the development partners at work. First, in clothing and other made up to effect again when the Community moves from its current holding its own in trade with pre-occupation with a short-term commercial policy for textiles last year to shaping a longer-term industrial policy.

U.K. OVERSEAS TRADE IN TEXTILES (£m.)

	IMPORTS	EXPORTS	BALANCE
	1973	1974	1973
EEC	323.3	420.7	-21.4
EFTA	216.7	229.3	-18.5
Other W. Europe	32.5	39.4	-1.5
Comecon	37.8	45.5	+9.0
Other Developed	193.4	219.9	+40.8
Developing	372.1	436.3	-238.0
TOTAL	1170.8	1401.1	-229.5
	941.3	1177.6	-223.5

BRITAIN'S TEXTILE TRADE BALANCE WITH THE EEC (£m.)

	1969	1970	1971	1972	1973	1974
Fibres	+ 3.7	+ 11.2	+ 7.7	+ 8.1	+ 13.2	+ 12.2
Yarns, fabrics, carpets, household	+ 8.5	+ 8.8	- 4.5	- 11.2	- 27.5	- 57.2
Clothing and accessories	- 0.8	+ 2.6	- 2.4	- 3.6	- 7.1	- 7.2
TOTAL	+ 11.4	+ 22.6	- 1.2	- 6.7	- 21.4	- 52.2

The textile trade balance between Britain and the EEC has widened each year since 1971. Mr. Alan Clough (left), president of the British Textile Confederation, warns that many jobs in the industry are related to hopes of increased sales in Europe.

if it were now clamouring for the basis of a much wider home special treatment under the withdrawal. In making their market than exists in Britain MFA. The burden-sharing agreement means, however, that while India will still be allowed

leaders point out that there are a number of medium to long-term advantages from membership which are not in their view,

But while this is the wider argument in favour of membership there are also more tangible gains which the U.K. in

industry hopes to obtain in the form of help in dealing with imports from developing countries.

In his recent statement in the Commons Mr. Harold Wilson pointed out that the U.K. industry stood to gain considerably from agreements under the GATT Multi-Fibre Arrangement which the EEC is now negotiating with low cost countries, and this is certainly true. Of as much significance to Britain, however, is the special arrangement which has been worked out between the member countries for applying the various agreements, for this is expected to transfer to our European partners much of the import burden which Britain would otherwise be expected to bear.

Under the MFA, where restrictions are put on textile imports from the developing countries, a growth rate of 6 per cent per annum will still have to be accepted.

Under the EEC formula, however, countries which accept special factors at work. First, in clothing and other made up to effect again when the Community moves from its current holding its own in trade with pre-occupation with a short-term commercial policy for textiles last year to shaping a longer-term industrial policy.

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COMPANY NEWS + COMMENT

Tootal 'strong' but some uncertainty

THERE IS uncertainty about the immediate prospects for Tootal textile manufacturers, reports Mr. A. M. B. Kirsop, chairman. In his annual statement, he said he believed that "the group is well managed and flexible in approach and that it derives considerable strength from its diversity both in products and geographically."

It is backed by strong financial resources and for these reasons he would, in normal times, have been confident in the Group's "with some confidence," but this has to be qualified because of the effects of inflation and unemployment on the spending power of the company's customers.

He is confident that the company's businesses in North America and Australia will overcome present problems and will regain their former prosperity, but difficulty in predicting the timing of this recovery "adds further uncertainty to our immediate prospects."

On finance, the chairman says that continued modernisation and re-equipping together with the effect of acquisitions accounted for £5m. out of a total increase of £12m. in capital employed, inclusive of short-term borrowings.

Rigorous financial controls are being operated to avoid damaging long-term prospects. Additional facilities for finance were negotiated during 1974 and these are largely intact, providing the company with a substantial financial buffer he adds.

Mr. Kirsop says that the cost of energy supply to the UK units is now at the rate of £4m. a year and strenuous efforts are being made to achieve the greatest possible economy. A programme of capital investment in insulation, instrumentation and energy recovery or re-use is being initiated, and the resulting annual energy bill in the U.K. by 20 per cent.

As reported on April 29 pre-tax profit declined from £15.5m. to £13.17m. and dividends are up from £3.66575p to 2.037p net.

Mr. Kirsop says that despite difficult trading conditions, the contribution from U.K. activities held up well at £3.7m. compared with £0.04m. in 1973-74. Exports increased by 28 per cent.

A statement of Source and Use of Group Funds shows an increase in loan capital during the year of £1.62m. (£1.53m.) and a decrease in short-term borrowings of £0.12m. Fixed assets stood at £58.32m. (£52.24m.) and net current assets £54.68m. (£51.21m.).

Capital expenditure contracted for totals £18.18m. (£7.73m.), and authorised but not contracted for amounts to £1.85m. (£10.85m.). Meeting, Manchester on June 25 at noon.

comment

The Tootal balance sheet emphasises the group's high level of fixed asset spending. Less disposals, Tootal spent £13.2m. on capital account in 1974, or roughly £4.5m. more than the year's rise and cancellation of debenture stock.

GRAND JUNCTION
Holders in Grand Junction Company have approved the redemption of £1.5m. of bonds.

depreciation and retentions. Net turnover stocks as follows:

1974: £15.5m. (2.037p)

1973: £13.17m. (2.037p)

1972: £13.17m. (2.037p)

1971: £13.17m. (2.037p)

1970: £13.17m. (2.037p)

1969: £13.17m. (2.037p)

1968: £13.17m. (2.037p)

1967: £13.17m. (2.037p)

1966: £13.17m. (2.037p)

1965: £13.17m. (2.037p)

1964: £13.17m. (2.037p)

1963: £13.17m. (2.037p)

1962: £13.17m. (2.037p)

1961: £13.17m. (2.037p)

1960: £13.17m. (2.037p)

1959: £13.17m. (2.037p)

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1942: £13.17m. (2.037p)

1941: £13.17m. (2.037p)

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1933: £13.17m. (2.037p)

1932: £13.17m. (2.037p)

1931: £13.17m. (2.037p)

1930: £13.17m. (2.037p)

1929: £13.17m. (2.037p)

1928: £13.17m. (2.037p)

1927: £13.17m. (2.037p)

1926: £13.17m. (2.037p)

1925: £13.17m. (2.037p)

1924: £13.17m. (2.037p)

1923: £13.17m. (2.037p)

1922: £13.17m. (2.037p)

1921: £13.17m. (2.037p)

1920: £13.17m. (2.037p)

1919: £13.17m. (2.037p)

1918: £13.17m. (2.037p)

1917: £13.17m. (2.037p)

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1855: £13.17m. (2.037p)

"The availability of its own electric power and forestry resources also contributed significantly to the Company's successful year".



The Uddeholm Group is best known for high quality special steels, forestry products, chemical products and electric power. In all, the Group has about 12,500 employees. The level of exports is high, about 70% of total Group sales being to overseas clients.

The steel is largely marketed by subsidiaries, established in all significant industrialized countries, which maintain their own stocks and engage to some extent in finishing.

The dominant product group of the Forest Industries Division is kraft paper. In addition there is large-scale production of pulp and wood products. The division's products are shipped to three terminal ports in Western Europe by a modern transport system, using chartered vessels. Half the raw material comes from the Group's 875,000 acres of productive woodland.

The principal products of the Chemicals Division are chlorine, caustic soda, trichloroethylene and perchloroethylene, with Scandinavia as the main market.

Annually, 450,000 tonnes of electricity is produced by hydro- and thermoelectric power stations wholly or partly owned by the Group.

1974 was a good year for almost all Uddeholm products. The reasons were various and included price increases and continuing concentration on a smaller range of high-grade products. Other factors were production improvements and reinforced marketing. But as the Managing Director emphasizes in the General Survey section of his Annual Report, the availability of its own electric power and forestry resources also contributed significantly to the Company's successful year.

We invite you to send for a copy of the Annual Report for 1974.

The Uddeholm Group in brief		1974	1973
Invoiced Sales			
Steel Division	1,295	906	
Forest and Forest Industries Divisions	773	521	
Chemicals Division	134	84	
Power Division	69	49	
Others (in 1973 incl. Tuuluvaura Gruv AB)	6	57	
Total	2,267	1,617	
Profit after depreciation according to plan			
Steel Division	186.8	38.2	
Forest and Forest Industries Divisions	251.8	94.1	
Chemicals Division	51.8	14.1	
Power Division	59.2	37.2	
Others	0.6	0.8	
Total	509.0	173.5	
Less price increases in the Parent Company's inventories	-124.2	-21.0	
Total	384.8	152.5	
As percentage of invoiced sales	17.0	9.4	
Profit before appropriations and taxes M Skr	361.3	154.9	
Net Profit M Skr	73.8	50.3	
Dividend in Parent Company M Skr	52.1	25.0	
Calculated profit per share, including price increases in inventories M Skr	61.50	18.10	
Investments in plant M Skr	107	112	
Book depreciation M Skr	197.3	151.9	

M Skr = millions of Skr.

On 14th May 1975, Skr 100 = US\$25.51, Can\$26.31.

UDDEHOLM

Uddeholm Steels Limited, 5400 Dixie Road, Mississauga, Ont. L4W 1E5. Telephone: (416) 625 5300.
Uddeholm Steel Corporation, 721 Union Boulevard, Totowa, N.J. 07511. Telephone: 201 256 8000.

Brown Shipley

"Policy of conducting business according to sound banking principles justified"

Extracts from the statement by the Chairman of Brown Shipley Holdings Limited, Mr Ian Garnett-Orme, for the year to 31 March 1975.

PROFIT AND DIVIDEND

The disclosed net profit of the Group has risen from £1,180,000 to £1,245,000. The Board recommends a final dividend payment of 3.9423p per share which, with the imputed tax credit, represents a total of 10.5427p, compared with 9.3712p for the previous year, and is the maximum permitted.

BANKING

The increased profit justifies the policy of conducting our business in accordance with the traditional principles of sound banking. In spite of the problems of tight money markets, high and increasing rates of inflation, and the unpredictability of exchange rates, we have been able to take advantage of opportunities for profitable trading.

Our associated banking companies, Merrill Lynch-Brown Shipley Bank Limited (London) and Trinity Bank Limited (Dublin), have continued to make satisfactory progress.

INVESTMENT POLICY

We felt it prudent to adopt a defensive investment policy during the year. However, with a portion of our cash invested after Christmas, we have benefited from the rise in the Stock Market since then. Until some of the political uncertainties are resolved, our investment policy will continue to be one of extreme caution.

INSURANCE

The profits of our insurance subsidiaries amounted to £789,000 an increase of 15.5% over the preceding year. The two principal insurance broking subsidiaries will move into new joint office premises in London in the near future.

RETURN TO FOUNDERS COURT

Brown, Shipley & Co. have now returned to the new building at Founders Court, specifically designed for our Merchant Banking operations and as the Headquarters of the Group. The rebuilding has taken 4½ years to complete and the improvement in working conditions should lead to greater efficiency.

PROSPECTS

With our widely spread and soundly based business we are continually striving to improve the profitability of the Group. However, the uncertain state of the economy and steeply rising operating costs make it unwise to forecast profits for the year ahead.

Year ended 31st March	1971	1972	1973	1974	1975
Total Gross Assets - £'000's	88,878	100,306	122,754	143,327	152,099
Net Profit after Tax - £'000's	573	745	885	1,180	1,245
Earnings per Share	24p	30p	35p	42p	22p*
Rate of Dividend	15%	17%	17.85%	18.74%	10.54%*

The figures marked * are not comparable to the prior years as a result of the 1 for 1 capitalisation issue in July, 1974.

Copies of the Report and Accounts are obtainable from the Secretary,

Brown Shipley Holdings Limited

Founders Court, Lothbury,
London EC2R 7HE

COMPANY NEWS

Bigger increase for Steel Bros.

Mr. J. H. Gaunt, chairman of Steel Brothers Holdings, says that while 1975 will be a difficult year the directors expect a larger increase in pre-tax profit than the group was able to achieve in 1974, as well as in profit available to holders.

He adds that the group will continue to concentrate on its development plans on those areas which the directors believe offer a satisfactory return geared to particular risk.

An independent study has recently been prepared indicating where and how the consolidation and expansion of the group's engineering activities might best be done.

With a large and growing business to finance in Canada and the Middle East as well as engineering in the U.K., the directors are rejecting many other opportunities offered to them. They are unlikely to yield a rapid return or are not largely self-financing.

Profit before tax for 1974, reported May 17, advanced from £2.43m. to £2.85m. The dividend is raised from 6.9035p to a maximum permitted 7.49375p net.

Briomin Investments held 38.45% of the company's equity capital on May 22, Meeting, Dorking on June 26 at noon.

Edinburgh Industrial halts growth

As a result of a divisional review at Edinburgh Industrial Holdings since the year-end, expansion programmes of the past three years have in general been put into reverse, giving rise to a reduction of about 200 employees, announces Mr. J. G. Blazey, chairman, in his annual statement.

It is almost impossible to make any meaningful forecast of future results but each company in the group is in a strong position to take advantage of any upturn in the national economy, he says.

Although capital expenditure would have been reduced in normal times, the directors have decided to reduce present expenditure to nominal levels. Mr. Blazey assures shareholders that every possible economy is being sought to reduce break-even levels, particularly in those companies affected by de-stocking by industry or supplying the consumer industries.

He reports that the trading loss of £31,000 (£38,000 profit) for the year to November 2, 1974 (as reported on May 16) reflected a substantial deficit in the main electronic company, largely as a result of the impact of delivery delays on fixed price contracts. No dividend is being paid, against 4.375p net for 1972-73.

The directors report that on December 30, 1974 the Euro-dollar Application of Funds was repaid a net decrease of £71,000 three months ahead of schedule.

BIDS AND DEALS

Myson's reasons for wanting SMC

BY DAVID BELL

Myson Group, one of two companies bidding for control of Sealed Motor Construction, argues in its formal offer document out today that SMC would fit "ideally" into its organisation.

In a letter to shareholders the chairman, Mr. R. E. Myson, says his company is able to offer SMC one of the largest ranges of equipment for heating ventilation and air conditioning equipment in Europe and has a sound marketing organisation to back it up.

He says he was "puzzled" to discover that after six weeks of talks with SMC, during which he had formed the impression that SMC's directors accepted the commercial logic of the Myson bid, SMC's directors had agreed to back the rival offer from Adwest.

Myson considers that it is only by combining the business with a complementary organisation like our own that SMC can be restored to a satisfactory level of profitability and enabled to realise its full potential," he declares.

Mr. Myson adds this is particularly true in relation to exports. The SMC directors agree, he says, "that SMC's overseas subsidiary could succeed better if it combined its Myson products to complement their own at little additional cost. This would materially improve the overseas profitability of both companies."

Mr. Myson foresees combined overseas sales of between £5-£10m. in 1976 if the Myson bid goes through.

Myson, which already owns 12.6% of SMC is offering three 10p Ordinary shares for every five 10p Ordinary shares of SMC, which is worth about

Mr. Shaw could not say when it would be prepared to sell part of its holding.

ROWAN & BODEN

Shareholders of Rowan and Boden learned at yesterday's general meeting that only 10 members had accepted the 10p per share offer from Elbow, which now held about 80 per cent of the ordinary capital.

Mr. J. D. Shaw, chairman said this meant "close" company provisions now applied and there was no chance of restoring the Stock Exchange quotation until it came down to 65 pence.

Elbow, a private investment company with a Scottish base, had indicated that its interest in the company was as an investment. Mr. Shaw could not say when it would be prepared to sell part of its holding.

RESULTS AND ACCOUNTS IN BRIEF

ISLE OF MAN ENTERPRISES - Net interim dividend - £'000s for six months ended March 31, 1975. Total assets £364,444 (£352,206). Net current assets £117,500 (£117,500). Net profit after tax £6,853 (loss £11,482).

Less per share 6.85p (1.85p). Board says Retrospective booking for holiday season and other excess of sales over purchases of unforeseen circumstances.

Board anticipates an increased contribution from this operation in second part of financial year.

GENERAL STOCKHOLDERS' INVESTMENT TRUST - Profit available for dividends - £'000s for six months ended March 31, 1975 after tax of £11,652 (£11,718). Interim dividend 4p (1.8p) not yet declared. A special additional dividend will be paid at the discretion of the Board. Interim dividend asset value per share 24p (20p).

GENERAL SCOTTISH TRUST - Results for 1974 reported on April 29. Net assets £20,000 (£19,000). Net current assets £14,407 (£12,051). Net profit after tax £2,205 (£2,267). Chairman says prospect of early improvement.

ROBERTS ADLARD & CO. (trading contractors and builders' merchants) - Results for 1974 reported on April 29. Net assets £1,116,019 (£1,078,019). Chairman says 1975 will be much lower. Meeting, 14th June.

HORNSEA (SCANGOR) RUBBER LTD - Results for 1974 reported on April 29. Net assets £185,000 (£178,000). Net current assets £14,407 (£12,051). Net profit after tax £2,205 (£2,267). Chairman says prospects for 1975 are not encouraging.

ROBERTSONS - Meeting, 14th June.

ALLIED LEATHER INDUSTRIES - Results for 1974 reported May 17. Fixed assets £2,000,000 (£1,900,000). Net assets £696,138 (£261,061). Future expenditure contracted for £10,584,000 (£1,000,000). Meeting, 20th June.

LINDSEY & WILLIAMS (makers of insulation materials and coverings) - Hotel, on June 28 at noon.

STANWOOD RADIO LIMITED

Substantial Increase in Cash Sales

Highlights from the circulated statement of the Chairman, Mr. Stanley Wood, F.C.A., A.C.M.A.

• Hire purchase and rental business continued to be severely restricted by Government controls but due to a change in our marketing policy in the second half of the year, when greater emphasis was placed on cash sales rather than a continued heavy investment in increased rental business, a substantial increase in this section of our business was achieved.

• Finance charges reached a peak during the year but with benefit of substantial net cash inflow enabling a steady reduction in borrowing, coupled with lower interest rates, these should reduce appreciably during the current year.

• Our rental business being restricted will enable us to finance new business out of rental income which should reach approximately £3,000,000 this year. The provision for depreciation should now tend to fall as older television sets are fully written off.

• Turnover in the first quarter of this year was approximately one-third higher than the first quarter of 1974. Part of this increase was due to "pre-budget" buying and higher prices.

• The Budget proposals imposing a V.A.T. of 25% as from 1st May on almost all products sold by us will undoubtedly restrict new business for a time. Fortunately our customers did not share the opinion of the Chancellor that televisions, washing machines, refrigerators, freezers and other electrical appliances are "luxuries" (as they are now classified "non-essential"). With the result that sales in the two weeks following the Budget were at record levels. This will enable us to withstand a limited period of lower turnover until such time as trading returns to normal once again.

NATIONAL SUNLIGHT LAUNDRIES LIMITED

HIGHER EARNINGS AND DIVIDEND

The Forty-seventh Annual few months of this year has been General Meeting of National Sunlight Laundry Limited was held on 30th May in London. Mr. S. J. Phillips (the Chairman), presiding.

*...we are part of
the community of Europe
and we must do our duty
as such.*

William Ewart Gladstone
April 19th 1888

The concept of a united Europe is a far from recent one. And to the British insurance industry, a truly international market has been a reality for the last 200 years.

Today London is the insurance capital of the world. With rapidly expanding risks, insurance is an increasingly vital industry playing a key role in Britain's economy. Last year alone it provided over £350 million of our total invisible export earnings.

But advancing technology, social problems, changing laws, make insurance so complex that expert guides are essential. These are the Insurance Brokers. Their job is to devise and arrange their clients' protection—not under-insurance, not over-insurance—but necessary insurance. It takes expert knowledge to get it right—the right cover at the right price with the right Underwriters, be they Lloyd's or the Insurance Companies.

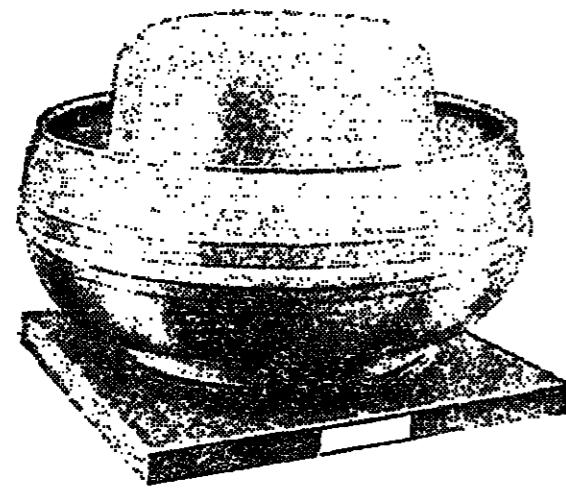


The relationship between the Insurance Broker and his client is a continuing one built on confidence. In a world of rapid change, coverage must be reviewed and up-dated constantly. New hazards arise—pollution, confiscation, hi-jacking. No wonder even the very biggest companies have an increasing need for expert advice and professional assistance in managing their risks.

Willis Faber are one of Britain's—and indeed the world's—biggest Insurance Brokers, handling premiums and settling claims together totalling more than £500 million a year. They have branches and associates all over Britain and throughout the world. Their international account in over 80 currencies spreads huge risks around the world insurance market. Such is the strength and scope of this remarkable company, formed in the early part of the 19th century and still growing today.

Willis, Faber & Dumas

Willis, Faber & Dumas Ltd, 54 Leadenhall Street, London EC3P 3AX. Telephone: 01-4883411
and at Lloyd's



MYSON Right at the top

That's why Willis, Faber and Dumas chose Myson Roof Extract Units for their luxurious new Administration Centre.

Myson offer the most complete range of Ventilating and Heating equipment available in the U.K. and Europe.

A range to cope with all the environmental problems of offices and factories - combining quality, performance and reliability with sheer good value for money.

And backed by the experience and know-how which makes Myson the market leaders in the heating and ventilating world.



Myson Group Marketing Ltd
Ongar, Essex CM5 9RE
Tel: Ongar 2255 Telex: 99356

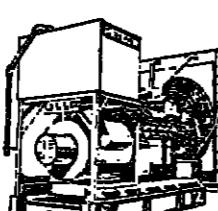
PETBOW MAKE MORE OF THEIR GENERATORS THAN ANY OTHER MANUFACTURER

At their main factory, occupying more than 70,000 sq. metres and employing 700 skilled personnel Petbow design and manufacture more than 80%* of every generating set themselves.

Petbow are the only British generating set manufacturer to design, build and incorporate their own alternators into an entire range of generating sets from 20 kVA to 2,500 kVA.

Selected for quality and reliability a Petbow 660 kVA generator is protecting essential services at the Willis Faber Dumas headquarters.

Write for detailed literature:
Petbow Limited,
Sandwich, Kent CT13 9NE.
Telephone: Sandwich 3311
Telex: 96329
Telegrams: Petbowld
Sandwich



PETBOW

Europe's most successful generating set manufacturer. Special machines are selected from the world's leading manufacturers

The installation of the unique Suspended Ceilings in Willis Faber & Dumas' new Headquarters was entrusted by the Architects and Designers Foster Associates to

BRAZIER CEILINGS & PARTITIONS

A ceiling installation fully integrating all lighting, air conditioning and mechanical service functions.

More than 160 thousand metres of polished aluminium channels have been fixed in a linear arrangement to the general areas.

Other features include stainless steel ceiling panels to kitchen areas and specially designed plastic coated steel sound absorbent panels over the swimming pool.

BRAZIER & SON LTD.
Portsmouth House, Millbrook, Southampton.
0703 773261.

& 145, New Dover Road,
Folkestone, Kent.
(Tel. 52273.)

FINANCIAL TIMES REPORT

Monday June 2 1975

A new office building in Ipswich

By H. A. N. BROCKMAN, Architecture Correspondent

AN INTERESTING but built-up and busy area on the edge of Ipswich old town has experienced a complete transformation over the past two years with the completion, on a one hectare island site of a curvaceous glass-walled building such as has never been seen before in this country. The inclusion of a swimming pool, gymnasium, roof garden, restaurant and creche does not sound like the components of an office. But an office building this essentially is, built for and occupied by Willis Faber and Dumas, the insurance brokers, whose employees will certainly have to change their ideas of an office environment if they are to enjoy this workplace, and they surely should.

Island site

There are two equally valid ways to approach the architectural problem of designing a building for a situation such as this. There is the adoption of an aesthetic approach which strives to respect its surroundings, however heterogeneous they may be, by breaking up the facades and masses of the structure so as to bring the design as much as possible in scale with its neighbours. On the other hand there is the approach which goes straight for a solution which is fundamental to the architect's structural, functional and aesthetic thinking. Where this thinking is both logical and experienced the result will stand without fear of odious comparison. Although liable to produce a mannered result (in this case easily identifiable with its progenitors) this approach is clearly justified in this building.

The island site is completely irregular and vaguely kidney shaped, the outer walls follow the perimeter of the plot. The structure is simple and comprises a group of circular reinforced concrete columns forming a regular grid with the columns at 14 metre centres. The floors are cantilevered from these main columns towards the curving outer walls, final support being provided by a ring of lighter columns within the perimeter and at 7 metre centres. The anti-slip glass walls are in sheets 12 millimetres (half an inch) in thickness, hung from the roof and tied back to the floor edges, each individual sheet being connected to the next by small metal plates at the corners, joints between sheets being of a semi-setting weatherproof compound. Above one thousand sheets were used for the walling which extends for one third of a mile around the building.

The facade wraps round like a bronze coloured glass ribbon making use of every millimetre of ground. The building is three storeys in height and the reflective character which vividly mirrors the surroundings gives elegance and the impression of lightness to the whole.

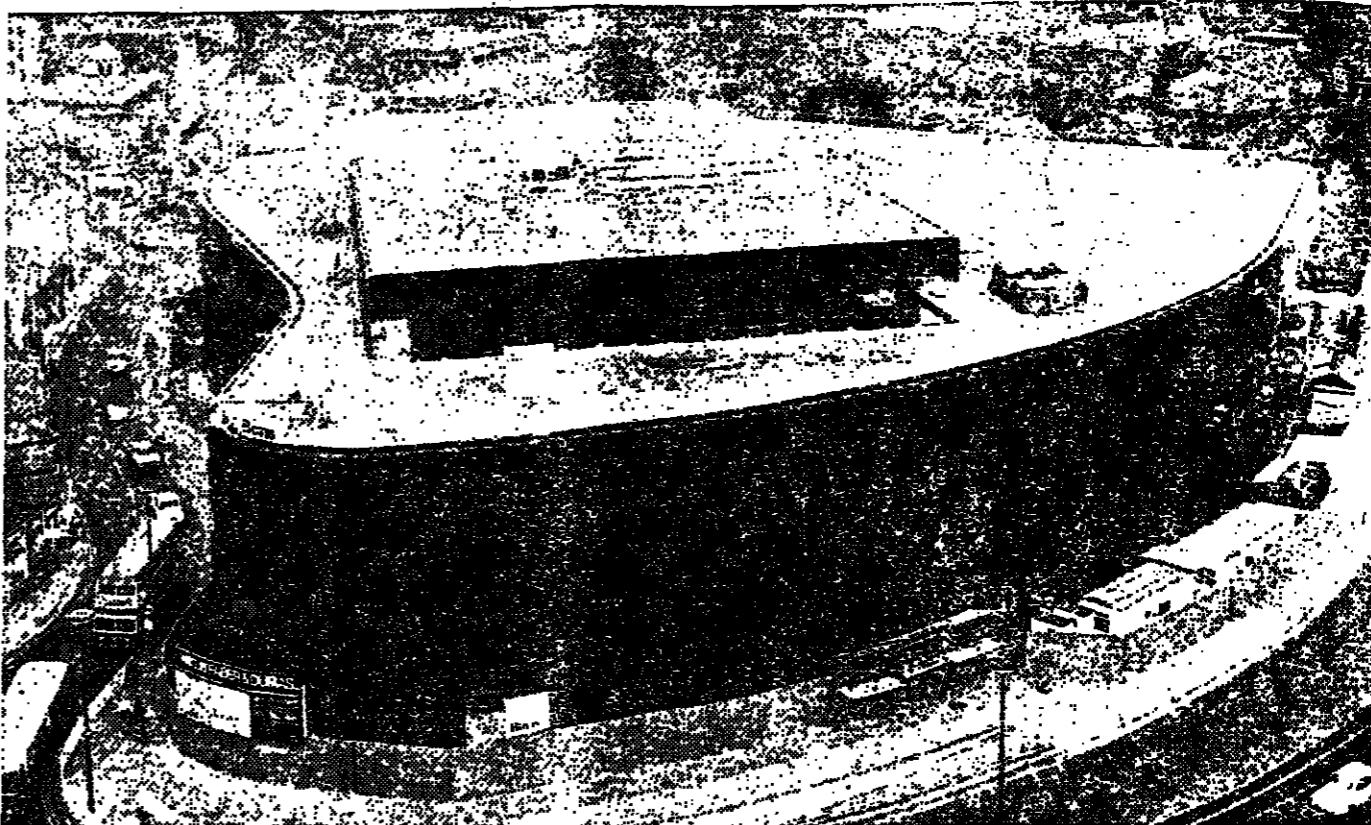
The site is bounded on one side by a proposed inner ring road, on the other side of which is a medieval church. A street of

minor buildings of many kinds forms a further boundary and another is to become a traffic free space in which stands a very fine early 13th century meeting house.

There is accommodation for over 1,300 people, chiefly on the two main floors, with a restaurant area, together with outdoor recreational facilities.

On the roof. The building is served throughout by a double bank of escalators which rise through a central well. The irregular ground floor, apart from the

swimming pool seen through the glass screen in the background.



The glass-walled, irregular-shaped building during construction.

main entrance foyer and escalator hall, accommodates a large data processing and computer space, a 25 metre swimming pool and changing rooms, a coffee area, boiler room and ancillary services. There is also a gymnasium and a creche for the children of employees. The offices are open-plan and are housed on the two middle floors, being administratively linked with the London head office by advanced communications systems, including an electronic telephone exchange providing immediate contact with both within the building and with London.

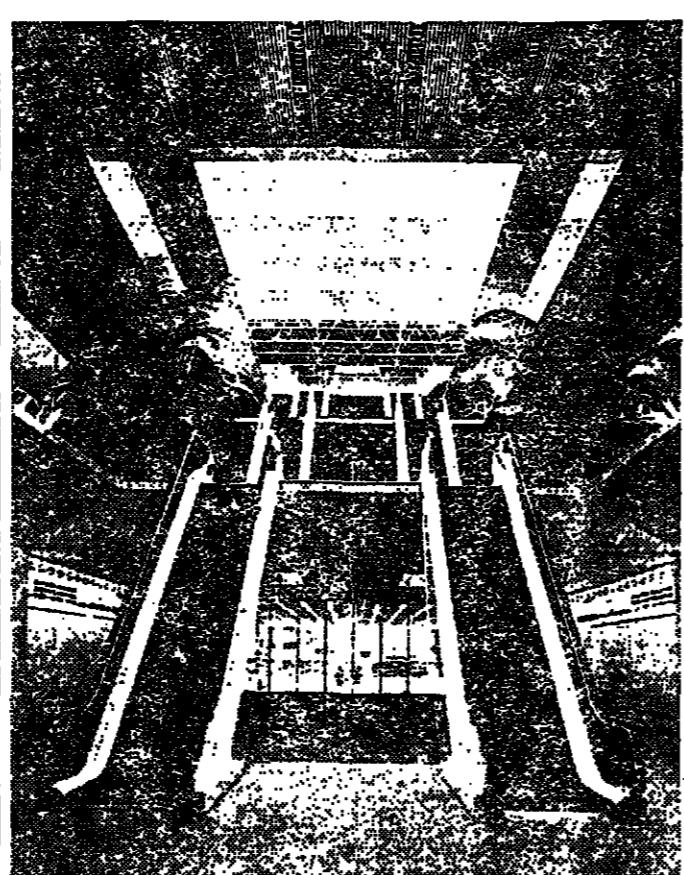
The swimming pool is not finished with the normal anti-scum channel but the water level is about an inch above the floor, spilling over into a surrounding grille; the effect is surprising as from a short distance the entire bath hall seems one sheet of water from wall to wall.

The interior is amazing as it is almost all seen at once. From the entrance doors the great hall opens up to the lattice structure over the roof-top restaurant which spans the well through which the escalators rise to serve the two office floors and the roof garden and restaurant level.

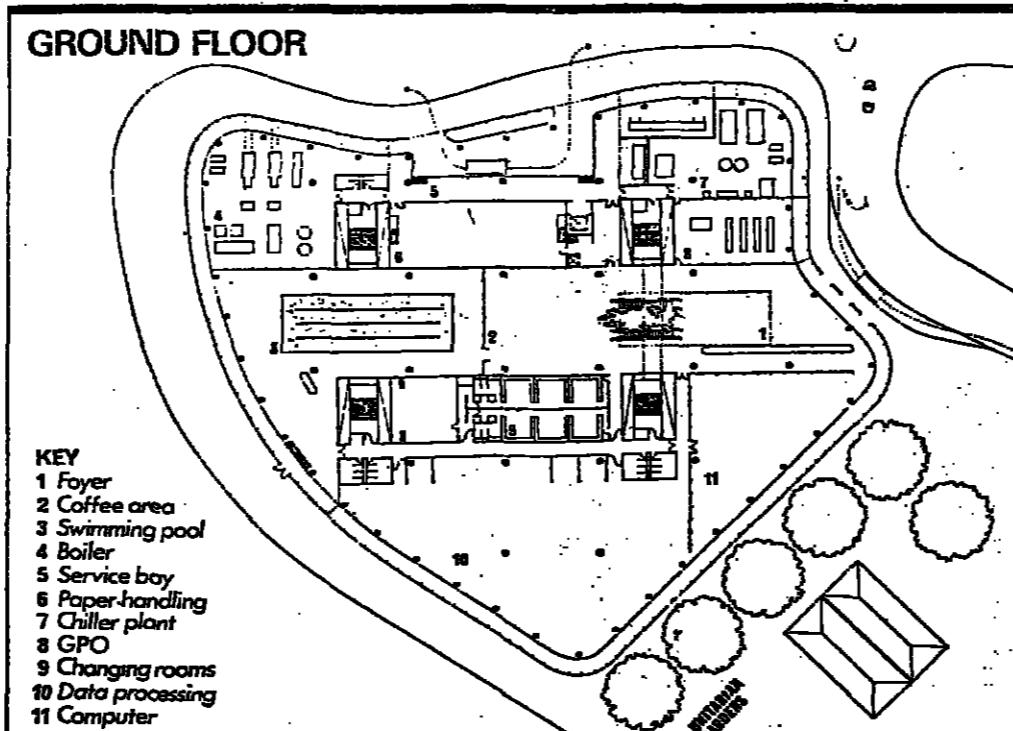
The two office floors are open to the well and from the ground floor appear as galleries surrounding it. From the entrance end of the hall the view ranges past the escalators through the glass screen, between hall and swimming pool, and on to the outer glass wall and the street beyond. The hall floor is lime-green as are the ceilings to the office floors. The side walls of the hall in the ground storey are yellow. Lines of spotlights provide a diffused light reflected from the wall surface. Ceiling lights in the hall are arranged between polished aluminium strips.

Office areas are entirely open, carpeted in green and occupying the entire space within the glass outer walls. The escalators, as they pass through the floors provide a directional focus centred in the large and irregular open spaces.

Although 99 per cent of the structural and service components of this building were prefabricated there is everywhere evidence of extreme care in this exploration of design technique, not a peak but a plateau, upon which the skills contributing to this work should be crystallised and disseminated to the benefit of today's too complicated technology of building.



Entrance hall and escalators, with the swimming pool seen through the glass screen in the background.



The open-plan layout.

DESIGN AND CONSTRUCTION

Architects & Engineers: Foster Associates
Structure consultants: Anthony Hunt Associates
Management contractor: Eavis Construction

A symbol of quality



in the world of electrical power distribution.

Square D Ltd. supplied the unique vertical riser power distribution system installed in the new WILLIS FABER & DUMAS BUILDING

SQUARED
SWINDON, WILTS.

METAL DECKING AND BUILT-UP FELT ROOFING

by
A. CAMERON LIMITED
Industrial Roofing and Painting Contractors
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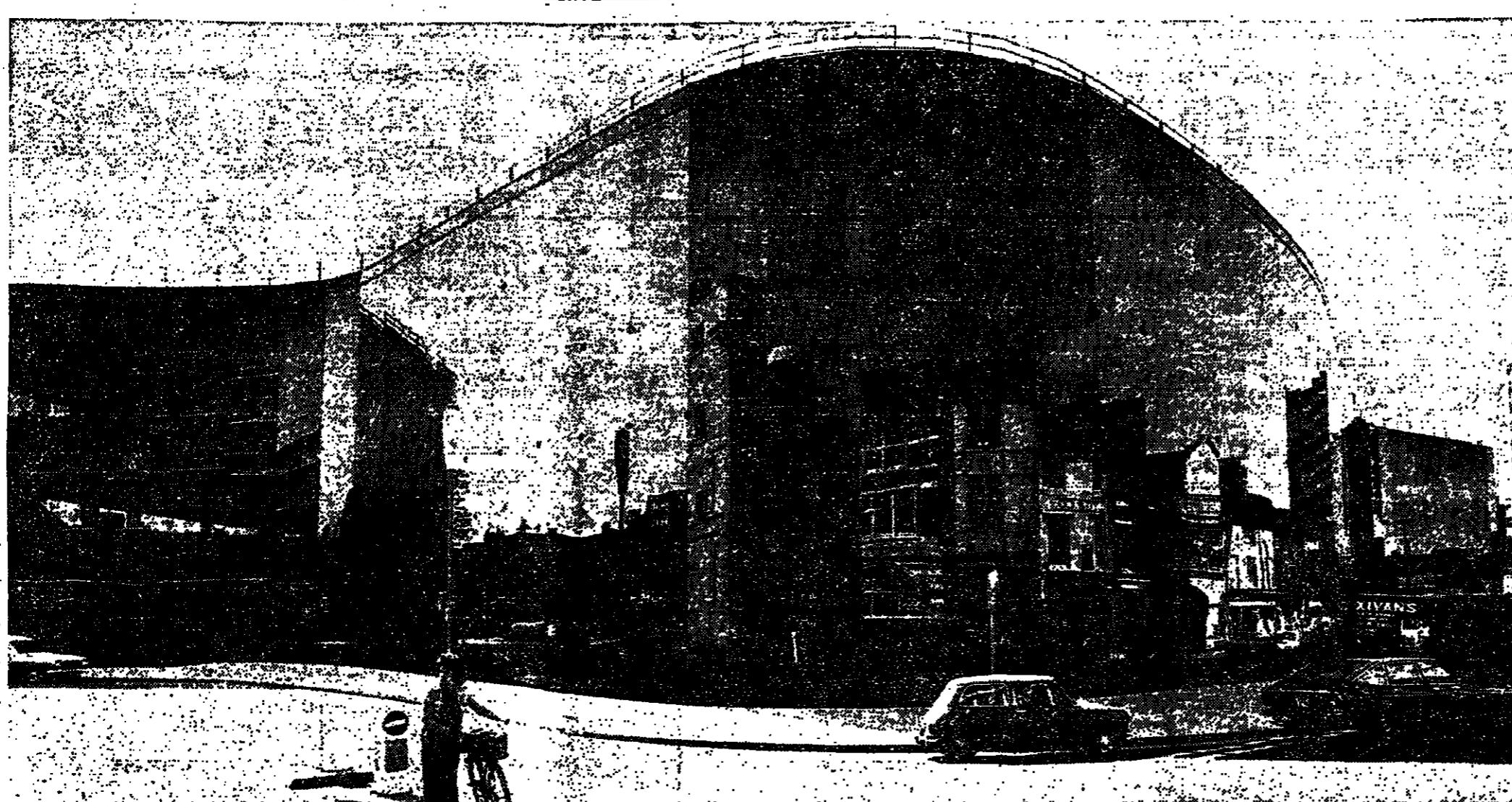
MODERN ART GLASS CO LTD

The glass exterior is one of the most important features of the new Willis, Faber & Dumas building.
The complete Suspended 'Armourplate' Assembly was supplied and erected by

Modern Art Glass Co Ltd

Head Office: The Glass Centre, P.O. Box 6, Swinnerton Lane, Bramley, Leeds LS13 2TZ
Telephone: 09735 71611
London Office: 70 Hailey Road, Erith, Kent DA18 4AX
Telephone: 01-310 0931/2/3
Branches at: Manchester, Middlesbrough, Gateshead & Blackpool

NEW BUILDING IN IPSWICH II



Buildings across the way are mirrored in the glass walling to unusual effect.

The advantages of the move

THE MOVEMENT of Willis Faber and Dumas to Ipswich is as underwriting agents for certain British and other insurance for 1974, slightly higher than those from during part of the general trend of tal British and other insurance for 1973 even though last year the day, yet it is outside the most sectors of the insurance companies and for underwriting was one of the most difficult main commuter belt. There are, industry to decentralise out of London into various parts of the provinces. This trend has been gathering momentum over the past few years, though it has been confined for the most part to the insurance companies—large and not so large.

Willis, Faber and Dumas (Holdings) is one of the leading insurance brokers in the U.K. But because it is a non-quoted public company it tends to get less written about it than its leading competitors that are public quoted companies. The majority of the share capital of the company—55 per cent—is held by the directors or former directors, while the remaining 45 per cent is held by various financial institutions. Consequently, its financial affairs do not receive the same in-depth treatment as does a major quoted insurance broking company.

The company as it is currently composed is the result of two amalgamations of three family firms. The first was the linking of Henry Wills and Company with Faber Brothers in 1897 to form Willis Faber; this company then merged with Dumas and Wylie in 1928. The two original firms trace their origins back to the early part of the last century—there are records of Henry Wills in business in 1830 as ship chandlers.

But the primary business of Willis, Faber and Dumas is that of insurance broking in all its aspects and the group has not attempted to make any major diversification out of this field.

The company does, however, act as underwriting agents for certain British and other insurance for 1974, slightly higher than those from during part of the general trend of tal British and other insurance for 1973 even though last year the day, yet it is outside the most sectors of the insurance companies and for underwriting was one of the most difficult main commuter belt. There are, industry to decentralise out of London into various parts of the provinces. This trend has been gathering momentum over the past few years, though it has been confined for the most part to the insurance companies—large and not so large.

In common with most leading insurance broking organisations, Willis, Faber and Dumas does most of its business overseas, which flourishes to this day. Currently the company handles over 1,000 offices, but there have been some changes in recent years. The Willis, Faber merger coincided with the company starting the £5m. level in 1971. Most of its business overseas, which has been organic, has been concentrated in the U.S.A., Canada, Australia, New Zealand, South Africa, and Japan. The company has plans to expand its business both in the U.S.A. and in the free world and in the communist countries. The group has done business with Russia before, during and after the last year: four new overseas branches were opened on the underwriting side.

The movement of staff to Ipswich will be determined mainly by whether their daily work requires them to spend most of their time in London. Thus those brokers who need to be near Lloyd's will remain in London. Most of the back-up staff will move to Ipswich—clerical, accountancy and computer staffs will be those principally affected. Ultimately there will be 1,350 working in the building, of which over 800 will have been recruited locally.

Direct lines

The main problem in dispersing operations is that of linking the two together so that contact between head office and the main administration centre is quick and easy. The group has installed the latest IBM 3750 telephone exchange, which has 60 direct lines between the London and Ipswich offices. There are both facsimile document transmissions and computer transmissions. This enables data and copies of documents kept at Ipswich to be transmitted to London in a matter of minutes from the original request. There will also be daily runs of minivans with documents between the two offices, as well as a constant movement of personnel to and from London.

Most organisations which have dispersed their operations have found, after the initial teething troubles, that it has been an advantageous move. Not only are overheads reduced; in general the staff have found working and travelling conditions much more congenial and there has been little ultimate disruption to group operations.

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**OFFICIAL
NOTICES**

The Board has been requested by one of two Warrens dealers to issue a duplicate of its certificate of incorporation. It has been requested to issue a duplicate.

No. 15765—17 BUNDLES—MICEL-

No. 15765—18 CASES MAGNEUM-

Any person who has received these goods is invited to enter protest by returning the same to the sender within 30 days of the issue of a duplicate Warrent.

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APPOINTMENTS

**Pearl Assurance
deputy chairman**

Mr. P. L. Garner has been elected deputy chairman of the PEARL ASSURANCE COMPANY in place of the late Mr. E. F. J. Plummer.

Mr. Ian Martindale has been appointed chairman and managing director of HFC TRUST, which is jointly owned by the Household Finance Corporation of Chicago and Morgan Guaranty Trust Company of New York. He succeeds Mr. G. J. Bramble, who will be returning to Household's head office as senior vice president in charge of new product and service development. Mr. Bramble will remain on the Board of HFC Trust.

Mr. A. W. Hill has been appointed managing director of UNIBIN. He has been a director and general manager since the company's formation.

Mr. J. M. Moore and Mr. W. R. Wright have been appointed directors of JOHN DEWAR AND SONS.

Dr. Kurt Ruths, Geschäftsführer of Braas und Co GmbH, has been appointed a non-executive director of REDLAND.

Mr. William Hulme has been appointed senior investment manager of the BARCLAYS BANK TRUST COMPANY. He was investment manager (funds) of Barclaytrust.

Mr. A. D. Cumming-Jones has been appointed a director of INCLERDON AND LAMBERTS. Mr. David

Cottingham, previously investment manager (institutional funds), has been made chief manager, Barclaytrust Pensions Services.

Mr. H. C. B. Berens, having reached retirement age, has resigned from the Board of HAMBROS BANK but continues as an adviser to the Bank. Mr. K. H. Wallis has also resigned from the Board.

Mr. N. C. Beel, Mr. M. G. Marsh and Mr. G. F. North have been appointed directors of ROBEY OF LINCOLN, a subsidiary of Dumbell and Elliott.

Mr. A. H. F. Selmes has been appointed to the Board of the GATEWAY BUILDING SOCIETY. Until his retirement at the end of last month, Mr. Selmes was a director of J. and A. Scrimgeour.

Dr. G. V. Planer has been appointed a non-executive director of ULTRA ELECTRONIC HOLDINGS. Dr. Planer is founder and head of a consultancy which specialises in research and product technology relating to electronic materials and systems.

Mr. William Hulme has been appointed senior investment manager of the BARCLAYS BANK TRUST COMPANY. He was investment manager (funds) of Barclaytrust.

(e) The Board may from time to time appoint one or more of its body to be executive Directors for such period and upon such terms as the Company may determine. An Executive Director shall receive such remuneration (whether in cash or otherwise) and other compensation (in profit or otherwise) as the Board may determine and either in addition to or in lieu of his remuneration as a Director.

(f) A Director of the Company may or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of that company or in any other capacity, unless he has given notice to the Board of his interest in any other company he or owned or controlled by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Director or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(g) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the same thereto, or the termination thereof).

(h) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a special resolution shall be passed purporting to authorise the Board to make such arrangements and to authorise the Board to give notice of such arrangements to the members in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent or more (as defined for the purposes in the Articles).

(i) Subject to declaring his interest in the manner specified in the Articles, no Director or proposed or intending Director shall be disqualified by the Company from being a director of another company if he has given notice to the Board of his interest in any other company or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be excused, nor shall any Director so continuing or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefit received by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(j) A Director may vote and be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the same thereto, or the termination thereof).

(k) Any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;

(l) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;

(m) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued by the Company or any other company to the Director or any section thereof, or to undertake any shares, debentures or other securities of the Company;

(n) any contract or arrangement by a Director in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(o) any contract or arrangement concerning any other company (not being a company in which he is interested directly or indirectly) or a director, shareholder, employee or any section thereof, or to undertake any shares, debentures or other securities of the Company;

(p) any contract or arrangement concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees and does not accord to any Director as such privilege or advantage not generally accorded to the employees to which such scheme or fund relates;

(q) any arrangement for the benefit of employees under which the Director benefits in a similar manner as the employees.

(r) The Board may grant allowances and other allowances and benefits in favour of any person including a Director or former Director or the relatives, connections or dependants of any Director or former Director provided that no pension, annuity or other allowance or benefit shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company (or to a person who has a claim on the Company except as a relation, connection or dependent of such a Director or former Director) without the approval of an ordinary resolution of the Company.

Materials contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into within the period of two years immediately preceding the date of this Offer for Sale and are or may be material:

1. An agreement dated 29th May, 1975 between the Company and Sime Darby London, being the agreement for the disposal of all the money broking interests of the Company for a cash consideration of £545,803.

2. Four agreements dated 30th May, 1975 between the Company and P. E. Rudd, N. H. Chamberlain, J. J. Wan and W. J. Allen respectively, being service agreements at an annual remuneration of £20,000, £18,000, £18,000 and £18,000 respectively (inclusive of Directors' fees). These agreements commence on 30th May, 1975 and are for five years except in the case of Mr. Allen whose agreement expires on 30th December, 1977.

3. An agreement dated 30th May, 1975 between the Company (i) the Directors of the Company (ii) Sime Darby London (iii) Sime Darby (iv) and Kleinwort, Benson Limited (v), being the agreement referred to above relating to this Offer for Sale.

Directors' and other interests

Mr. M. C. Rawlinson beneficially owns 10,800 Ordinary Preferred Ordinary Shares of 10p each in Sime Darby London, representing less than one per cent. of such shares in issue. Save as aforesaid, no Director has any interest, beneficial or otherwise, in the share capital of Sime Darby or any of its subsidiaries.

Saves as disclosed herein, no Directors have service contracts with the Company or any subsidiary nor are any such service contracts proposed which do not expire or which cannot be terminated without payment of compensation (other than statutory compensation) within one year.

Following this Offer for Sale, Sime Darby London will own 1,862,500 Ordinary Shares of 20p each, representing 14.9 per cent. of the issued Ordinary Share capital of the Company.

Share option scheme

A Share Option Scheme ("the Scheme") has been introduced to enable full time executive directors and employees of the Group to be offered, at the discretion of a Committee of the Board whose members will not be eligible to participate, the opportunity to obtain a financial incentive. Under the Scheme 625,000 Ordinary Shares of 20p each in the Company (representing 5 per cent. of the existing issued Ordinary Share capital) have been made available to enable the Committee to grant options to selected full-time directors and employees of the Group.

The principal features of the Scheme can be summarised as follows:

1. An option will entitle a participant to subscribe for Ordinary Shares of the Company at a price determined by the Committee but in any event not less than the middle market quotation as shown in the Daily Official List of The Stock Exchange on the last dealing day preceding the grant of the option.

2. No participant may be granted an option if the total subscription price paid or payable by him in accordance with the Scheme, and any other scheme which may be adopted by the Company, would exceed four times the participant's remuneration (but up to a maximum remuneration of £25,000) for the Group for the year of assessment in which such option is granted or the preceding year if assessment is greater.

3. No option may be exercised before the end of a period of three years from its grant except in certain circumstances such as the death of the participant or his leaving the service of the Group because of injury, disability or redundancy. No option may be exercised more than seven years after it is granted. Options will generally only be exercisable within the periods of 28 days commencing seven days after the date of any Annual General Meeting or of any publication of half yearly results.

4. The number of Ordinary Shares in respect of which options are granted pursuant to the Scheme, and any other scheme which may be adopted by the Company, will not exceed 5 per cent. of the issued Ordinary Share capital of the Company at any time when an option is granted.

5. An option will not be transferable by a participant; shares issued on the exercise of options will, however, be transferable and will rank pari passu in all respects with the Ordinary Shares of the Company in that issue.

No options have been granted under the Scheme.

General 1. No part of the proceeds of this Offer for Sale is payable to the Company and no amounts are required to be raised for any of the purposes mentioned in paragraph 4 of Part I of the Fourth Schedule to the Companies Act 1948.

2. Under Contract 3 above the Company has been given certain indemnities by Sime Darby and Sime Darby London against depletion of the assets of the Company or any of its subsidiaries by reason of liabilities to taxation.

3. A certificate of exemption under Section 39 of the Companies Act 1948 has been granted by the Council of The Stock Exchange.

4. Neither the Company nor any of its subsidiaries has any litigation or claims of any material importance pending or threatened against it.

5. Save for Ordinary Shares issued under the terms of the Scheme referred to above no material issue of Ordinary Shares, other than to shareholders pro rata to their existing holdings, will be made within one year of the admission of the Ordinary Shares to the Official List without the prior approval of the Company in general meeting, nor will any issue of the existing authorised but unissued Ordinary Shares be made which would effectively alter control of the Company or the nature of the business of the Group without the prior approval of the Company in general meeting.

6. Save as disclosed herein, (i) no capital of the Company or any of its subsidiaries, except for issues of capital by wholly owned subsidiary, has been issued for cash or other consideration during the two years preceding the date of this document nor is any proposed to be so issued, (ii) no unissued capital of the Company or its subsidiaries is under option or agreed conditionally or unconditionally to be put under option, (iii) no commissions, discounts, brokerage or other special terms have been granted by the Company or any of its subsidiaries in the two years preceding the date of this document in connection with the issue or sale of any capital of the Company or any of its subsidiaries, (iv) no Director is interested in a contract of significance with any company in the Group and (v) no Director has had within the two years preceding the date of this document a direct or, apart from shareholdings in Sime Darby or any of its subsidiaries, indirect interest in assets which have been or are proposed to be acquired or disposed of by or leased to any company in the Group.

7. Sime Darby and Pegler have given and have not withdrawn their consent to the issue of this document with the inclusion therin of their letter and Report and references thereto in the form and context in which they appear.

8. The above-mentioned consent, statements of the adjustments made by Spicer and Pegler in arriving at the figures set out in their Report and the reasons therefor, and copies of the contracts listed above have been attached to the copy of this Offer for Sale which has been delivered to the Registrar of Companies for registration.

9. Section 185 of the Companies Act 1948, relating to the appointment and retirement of Directors who have attained the age of seventy, shall apply to the Company.

10. The Financial Times Monday June 2 1975

11. The Financial Times Monday June 2 1975

12. The Financial Times Monday June 2 1975

13. The Financial Times Monday June 2 1975

14. The Financial Times Monday June 2 1975

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42. The Financial Times Monday June 2 1975

The Financial Times Monday June 2 1975

Monday June 2 1975

Peace hopes rise in British Airways dispute

BY CHRISTIAN TYLER, LABOUR STAFF

ALL BRITISH Airways' European and domestic flights in and out of Heathrow Airport, London, were cancelled to-day because of strike by maintenance men over pay.

But talks between the airline and trade union officials yesterday raised hopes that services will be restored to near normal to-morrow.

A mass meeting of the 700 strikers, who are seeking extra payment for handling BA's recently acquired TriStars, has been called for this afternoon, when a peace formula will be put to them. Trade union officials will first explain the terms of the proposed truce to shop stewards at the airport.

Four days

To-day's shut-down, which will cost the loss-making airline some £500,000 in revenue, follows four days of cancellations and delays for Continental and UK passengers.

BA said special arrangements would be made to bring passengers from Europe who want to return to-day, and that other arrangements were being made for holidaymakers booked on Sovereign holidays. Intercontinental flights from Heathrow (the former BOAC network) will continue unaffected, as will operations out of other UK airports, including charter flights from Gatwick.

The leader of the trade union side at yesterday's emergency meeting of the National Joint yesterday.

Fears over oil supply crisis

BY ADRIAN HAMILTON

A SENIOR U.S. official has warned that the major consumers in the International Energy Agency are still a long way from being prepared to meet a supply crisis within the next year.

Speaking at the Financial Times in London following the IEA meeting in Paris, Mr. Melvin A. Conant, the Assistant Administrator for International Affairs, in the U.S. Federal Energy Administration argued that any political crisis in oil during this year was likely to be more sophisticated than the previous one in 1973/74.

While the producers would probably exercise much greater control over the destination of their oil, the consumers were still divided on important points in any allocation programme and were still some way from preparing the kind of sharing mechanism suggested in the IEA agreement of earlier this year.

In particular, he pointed to the European and Japanese demands that oil company supply and pricing information be made available on an individual company basis in conflict with the U.S. desire.

The point is an especially sensitive one both as regards U.S. policy on competition and the cartel tendencies among oil companies and, he suggested, as regards the efficiency of any oil sharing at a time when it would have to be the companies which would take on most of the burden of any oil distribution at a time of crisis within the next year or so.

Although the Europeans, in particular, appeared to be seeking such a degree of information partly for tax and internal control reasons, he reasoned, it was likely to burden the process with "tons of paperwork which few have the experience to deal with" as well as make it more efficient of such an operation.

Weather

U.K. TO-DAY

A COLD FRONT will cross southern England and most areas will have bright periods and showers.

Southern England, East Midlands, Channel Isles
Cloudy with occasional rain, becoming bright with scattered showers. Wind N.W., moderate or fresh. Max. 13C (55F).

Eastern England
Cloudy with occasional rain, becoming brighter with showers. Wind northwesterly, fresh or strong. Max. 12C (54F).

West Midlands, Wales, N.W. and Northern England, Lake District, S.W. Scotland, Northern Ireland
Bright periods, scattered showers. Wind northerly, fresh to strong. Max. 11C (52F).

N.E. England, East Scotland
Bright periods and occasional showers. Northwesterly wind. Max. 9C (48F).

Central Highlands, N.W. Scotland
Cloudy with frequent showers of snow on high ground and strong North wind. Max. SC (46F).

N.E. Scotland, Orkney and Shetland
Frequent showers of snow and strong North winds. Max. SC (43F).

Outlook: Showery and cool. Lighting-up: London 21.38, Manchester 21.57, Glasgow 22.20, Belfast 22.19.

Motor exports rise to £779m.

BY JOHN TRAFFORD

IN SPITE of strikes at British Leyland, Ford, and Chrysler which held up exports during April, motor industry exports during the first four months of 1975 have been rising much more strongly than imports, according to figures issued today by the Society of Motor Manufacturers and Traders.

The strikers, described by one senior shop steward as not normally militant, have not had official union backing. They have already been offered a payment for undertaking pre-flight checks on different kinds of aircraft, on condition their unions guarantee the payments will not spread to all 11,000 BA engineering and maintenance men. The unions have said they are constitutionally unable to give such a guarantee.

A solution is therefore likely to come when how a payment can be expressed so that it can only apply to the European division men, who in the TriStar network will continue unaffected, as will operations out of other UK airports, including charter flights from Gatwick.

The Mary Poppins herself is unlikely to begin operations for at least several days, according to a spokesman for the line

of the National Joint yesterday.

Weakness

The one area of persistent weakness remains motor cars. In the four-month period Britain imported £185m. worth of cars, up 42 per cent. on 1974, but only managed to export £52m. worth, an increase of 19 per cent.

In spite of this, the country's favourable balance of trade remains a healthy £425m. which is 41 per cent. up on the comparable 1974 level.

FARM LOAN RATE DOWN TO 13%

The Agricultural Mortgage Corporation (AMC) has cut its interest rate for variable interest loans to 12 per cent. from 14.5 per cent. The rate for new fixed interest loans remains 14.75 per cent.

AMC lends over £30m. a year to farmers, who generally use existing loan holdings as collateral. An estimate 90 per cent. of this money is used for land purchase.

difficult for the U.S. Congress to approve an extension of the anti-trust waivers granted to the companies to co-ordinate activities on this matter.

He also expressed "considerable worry" over the failure to release stocks to date and suggested that while everybody was very anxious to renew the dialogue with the producers, the Paris meetings had produced little real agreement on what such meetings should be about.

Mr. Conant's remarks came at a time when the U.S. Government appears to be feeling some concern over the way in which the IEA is moving.

U.S. Government officials argue that it was the U.S. initiative in offering to participate in the organisation of supply sharing and in offering to share their own supplies in case of need which got the IEA off the ground.

But they fear that the IEA would not act in concert should there be a supply crisis, but this outcome, especially if, as seems likely, such a crisis was specifically directed against the U.S. in a sophisticated manner.

In spite of signs what might be thought, there is no remarkable agreement for nations to share supplies on a majority rather than unanimous vote in the event of a shortfall in any one member country, it is to be that several countries in the IEA would "backslide" unless there is an agreement of the frequently reaffirmed aim of purchasing a common aircraft to maintain military efficiency and cost savings.

If Belgium does fall in line with the other three countries who share the same Nato role, it will mean an order for between 300 and 350 aircraft worth about \$3bn. for the U.S. guaranteeing the aircraft an initial production run of more than 1,000, since the U.S. is itself buying 650 machines.

The decisive factor was evidently the Dutch rejection of 11-hour French proposals that in return for buying the

DC-10 crash settlement offer

BY MAURICE IRVINE

A SPELL of tough behind-the-scenes bargaining may now bring an early settlement to the year-long, multi-million pound legal battle in Los Angeles by relatives of the 346 people killed in the Turkish Airlines DC-10 crash near Paris.

A break in the deadlock was provided by an offer from the defendants—McDonald Douglas, General Dynamics and Turkish Airlines to settle all personal injury claims.

All punitive damage claims must drop attempts to find the defendants legally liable.

Los Angeles Judge Pierson Hall welcomed the proposals. "I

BL International to have full control of Leyland exports

BY TERRY DODSWORTH

BRITISH LEYLAND International, which will be the key organisation in a vital attempt to boost the group's overseas sales, has been made into a fully hedged profit centre.

It will have complete profit responsibility for BL's exports under the plan emerging from the Ryder report. This will require BL to buy vehicles from the manufacturing companies and re-sell to foreign distributors, as well as running the overseas subsidiaries. This draws a significant distinction from the former international division, which was basically a marketing organisation whose profit responsibility was limited to overseas subsidiaries.

BL will also be responsible for the group's truck and bus exports, in spite of the ill-conceived belief among some senior bus and truck executives in the past that they can more effectively run their own export effort.

It was also announced yesterday that the job of director for European operations, by far the most important export area in Sir Don Ryder's strategy for the company, has gone to 48-year-old Mr. Bert Lawrence. He, like Mr. David Andrews, managing director of BLI, is an ex-Ford employee.

Mr. Lawrence will have the job of reorganising and revitalising the European operations, where BL's sales dropped to less than 200,000 last year. In some parts of the Continent there may well be a shake-up of dealers, with BL taking a greater financial stake in the dealership.

It also fails to Mr. Lawrence to try and make good the target set out in the Ryder report of raising BL's market share in Europe from 3 per cent. to 4 per cent. for cars, and from 1 per cent. to 5 per cent. for truck sales.

The aim for car sales implies selling about 160,000 extra vehicles in Europe by 1980, some 110,000 more than BL had ever sold in this area. The achievement of these objectives will require a considerable strengthening of BLI's marketing

Today are Mr. Jack Reardon, director overseas operations; Mr. Geoffrey Rose, director overseas manufacturing; Mr. Clive Strower, director finance; Mr. Dennis Buxton, director personnel; Mr. George King, managing director, Leyland Australia; Mr. Basil Laudau, managing director, Leyland South Africa; Mr. Graham Whitehead, managing director, North America; Giovanni Bella, managing director Leyland Innnovation; Mr. Ron Hancock, managing director Leyland Ashok.

pressure on Belgium was clearly very great.

However, Mr. Tindemann may well feel that he did his best in the "European" cause, and that the French must recognise the fact that his political options were rapidly disappearing.

It is not known if Belgium will stand by her original intentions to buy 116 aircraft, or whether she will scale down the order, as her partners may well do. Nor is it known what effects such a scaling-down would have on the industrial compensation terms offered by the Americans, which have been such a central point in the negotiations.

The American compensation offer is that the four countries should get 10 per cent. of the work on the machines for the American Air Force, 40 per cent. of the work on the aircraft they will buy themselves; and 15 per cent. of the work on Third Country sales.

Costing on the YF-16 is based on hoped-for sales of around 3,000 aircraft. The Mirage sales expectations have never exceeded around 1,100 aircraft.

The decisive factor was evidently the Dutch rejection of 11-hour French proposals that in return for buying the

DC-10 crash settlement offer

LOS ANGELES, June 1.

hope it will help to get it over guilty of negligence, which makes it easier for him and saves time and expense. "Both sides" said Mr. James Butler, whose firm represents 160 defendants, "will sit across the table and make offers."

The cash will be coming from all the defendants in a proportion to be decided by the packagelawyers are already willing to accept the offer in principle.

Defendants have undertaken not to contest liability in the event of an agreement and to negotiate on damages only. That means that if they cannot agree to a figure in an individual case, the question will go to trial.

The plaintiff concerned would not need to prove the defendants

a coalition Government after tended to vote yes on Thursday, 31 per cent. no and 10 per cent. undecided.

There were fresh indications from Scotland that the pro-Market forces could achieve a remarkable breakthrough. A poll published in to-day's Glasgow Herald, prepared by the Dundee-based research organisation System Three, shows a clear 15-point lead for the pro-Market forces. What was said was that a British Government should be "a Government of national unity."

The phrase will do little to placate Left-wing MPs who are convinced that a number of Market forces have been instrumental in bringing the coalition forces with Conservative and Liberal politicians during the unique referendum campaign and would like to see them continue afterwards.

A Gallup poll published in Sunday Telegraph showed that 59 per cent. of more than 1,000 electors polled nationally in

intended to vote yes, 40 per cent. no and 13 per cent. remain undecided.

The television campaign could

make a significant impact on public opinion in the last few days before polling. A major confrontation takes place to-night when Mr. Edward Heath and Mr. Enoch Powell will debate for and against Market membership in a two-hour programme on Granada Television.

Other speakers will include Mr. Roy Jenkins, Mr. Peter Shore, Mr. Reginald Maudling, Mr. Neil Marten and Mr. David Steel.

There are also confrontations

between Mr. Shore and Mr. Jenkins and Mr. Anthony Wedgwood Benn on BBC Panorama in the evening.

THE LEX COLUMN

When tax tops 100 per cent

The effective rate of Corporation Tax averaged 63 per cent between 1968 and 1974, and rose as high as 148 per cent. in 1973. Between 1968 and 1970, the depreciation actually charged by companies constituted about 73 per cent. of their replacement investment in money terms; by 1974, the proportion had dropped to just 37 per cent.

These grim figures came from one of the best analyses yet of the impact of inflation on the corporate sector. The Sandlands committee seems to be taking an interminable time; the rate of inflation has more than doubled during its deliberations, which now seem unlikely to see the light of day before the early autumn. In the meantime, last week's report by the National Economic Development Office has provided a new insight on real trends in real company profits.

In fact, the prospective implications that the disclosed net use of funds implies that the disclosed net worth of the discount houses (excluding the money brokers side being retained by Sime) of £7,267 £4.1m. at end-June, 1974, was pretty well the true figure, for the contingencies reserve was almost eliminated at that time.

Total business income £24,255 That would give a resources base of £4.6m. including the loan stock. Meanwhile the three-year average base appears to be just over £3m. for Clive held £101m. of undefined assets at the end of March, and the discount market has recently been operating at very close to the maximum 20 times multiplier to

by brokers Phillips and Drew. Since last June true profits, largely tax-free after the period of losses, will have been operating at mid-March for the sector. The results are shown in the table, and demonstrate how the combination of price controls, inflation and tax have ravaged the corporate sector in recent years. Dividends, taxes, and replacement investment exceeded U.K. earnings (net of stock appreciation) by well over £4bn. during the period. Foreign income helped to restore the balance. But after allowing for what NEDO calls growth investment—a figure which is dwarfed by replacement spending—companies still had to find more than £4bn. of external finance to top up their internal cash flow.

Against this background, the U.K.'s low rate of capital spending is not surprising. To quote NEDO's restrained prose: "Once the effective corporate tax rate on earnings begins to approach 100 per cent. or even go above that level that we actually go above that level that is in 1974, firms will tend to become preoccupied with the preservation of ongoing operations." Taking manufacturing which have been such a central point in the negotiations.

The American compensation offer is that the four countries should get 10 per cent. of the work on the machines for the American Air Force, 40 per cent. of the work on the aircraft they will buy themselves; and 15 per cent. of the work on Third Country sales.

Costing on the YF-16 is based on hoped-for sales of around 3,000 aircraft. The Mirage sales expectations have never exceeded around 1,100 aircraft.

The decisive factor was evidently the Dutch rejection of 11-hour French proposals that in return for buying the

DC-10 crash settlement offer

measures, in Mr. Hayward's view. And, if necessary, we must take the powers to ensure that these companies do their bit for the nation—and that they do it now."

• Through the National Enterprise Board and the planning agreements system, new jobs must be introduced to the worst-hit regions. The funds available to the NEB were "far too modest" and Mr. Hayward thought they should be raised from the present £1bn. over five years to at least £1bn. a year.

• The Government must begin to earn to determine and to act upon clear industrial and economic priorities through a comprehensive long-term economic plan. This plan must include Labour's long-term policies on industrial growth.

• A training programme must be launched urgently, designed to ensure that workers had the right skills to take new jobs as they came on the market. The Manpower Services Commission must be given the powers and resources to do this job properly.

Continued from Page 1

Hayward on imports

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